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NOMINATIONS OF CHARLES R. CHRISTOPHERSON AND JAMES M. ANDREW

HEARING

BEFORE THE

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

FIRST SESSION

NOVEMBER 10, 2005

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CONTENTS

Page

HEARING(S):

Nominations of Charles R. Christopherson and James M. Andrew 01

Wednesday, November 10, 2005

STATEMENTS PRESENTED BY SENATORS

Chambliss, Hon. Saxby, a U.S. Senator from Georgia, Chairman, Committee on Agriculture, Nutrition, and Forestry 01

Crapo, Hon. Mike, A U.S. Senator from Idaho 02

WITNESSES

Christopherson, Charles R. Jr., of Texas, to be Chief Financial Officer, U.S. Department of Agriculture 04

Andrew, James McRae, of Georgia, to be Administrator of the Rural Utilities Service, U.S. Department of Agriculture 06

APPENDIX

PREPARED STATEMENTS:

Christopherson, Charles R 16

Andrew, James Andrew 19

DOCUMENT(S) SUBMITTED FOR THE RECORD:

Christopherson, Charles R. (Biographical Information) 22

Andrew, James Andrew (Biographical Information) 46

QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD:

Harkin, Hon. Tom 77

Salazar, Hon. Ken 79

NOMINATIONS OF CHARLES R. CHRISTOPHERSON AND JAMES M. ANDREW

WEDNESDAY, NOVEMBER 10, 2005

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,
Washington, DC

The committee met, pursuant to notice, at 9:02 a.m., in Room 328A, Russell Senate Office Building, Hon. Saxby Chambliss, chairman of the committee, presiding.

Present or submitting a statement: Senators Chambliss, Thomas, Crapo, Harkin and Salazar.

STATEMENT OF HON. SAXBY CHAMBLISS, A U.S. SENATOR FROM GEORGIA, CHAIRMAN, COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

The CHAIRMAN. This hearing will come to order, and good morning.

We are here today to hear testimony from two nominees for important posts at the U.S. Department of Agriculture: James Andrew, nominee for the position of Administrator of Rural Utilities Service; and Charles Christopherson, nominee for the position of Chief Financial Office.

It is with great pleasure that I welcome Jim Andrew to the committee. Jim has been a businessman, a community leader in Georgia for many years. I am pleased that he is willing to come to Washington and engage in public services at the Federal level.

The Rural Utilities Service provides important services in rural America, including electrification, telecommunications, drinking water and waste disposal systems, broadband access, telemedicine and distance learning. Millions of rural Americans have better lives because of these programs, and we are fortunate that people like Jim Andrew are willing to give of themselves in service to our country to improve the lives of our fellow citizens.

I appreciate that Jim shares my love for golf, and more importantly, that he shares my commitment to continue to make our country a better place for all Americans, especially for those in our rural areas.

And on a personal note I would say that I have known Jim for, gee whiz, longer than either one of us want to remember at this point in time, but we have been friends through the years. Jim is from Jenkins County, Georgia, near a little town called Millen, and Jim grew up in the rural electrification industry in our State, and the fact that he is from Millen, Georgia, and the fact that he was employed by the George Electric Membership Corporation early, is

a sign of how significant a contribution he has made to the rural utility industry in Georgia, particularly the Georgia Electric Membership Corporation, because I was involved in that industry for 25 years representing a co-op in my hometown, and because Jim is from Millen, he was selected by the godfather of the Electric Membership movement in Georgia, Mr. Walter Harrison.

That says an awful lot about you, Jim, because knowing Mr. Walter like I did for so many years, knowing his love for rural America and for the electric utility system, the fact that he chose you to go to work at GEMC says an awful lot about your commitment to rural America, and your commitment to the electric utility industry, so needless to say, I am very pleased that you have decided to, at this stage in your life, to move to a different level and come to Washington to serve your country in a different capacity. And as a Georgian and as a personal friend, I am very, very proud to have you here this morning.

I also welcome Chuck Christopherson, and am pleased that he is willing to take on the task of being Chief Financial Officer of USDA. If the Department of Agriculture were a private enterprise, it would be the sixth largest company in the United States. USDA has over 100,000 employees, 14,000 offices and field locations, $128 billion in assets, and provides approximately $100 billion in loan guarantees and insurance. Obviously, it is a major job to oversee the finances of such a large organization, and I am grateful that Chuck Christopherson is willing to take on this important responsibility to ensure that USDA performs its duties commensurate with the standards that American taxpayers deserve and expect.

My colleague Senator Harkin is here. Tom, I will be happy to recognize you for any opening comments you wish to make.

The CHAIRMAN. All right.

The CHAIRMAN. I would like to turn to Senator Mike Crapo for any opening comments you wish to make, Senator.

STATEMENT OF HON. MIKE CRAPO, A U.S. SENATOR FROM IDAHO

Senator CRAPO. Thank you very much, Mr. Chairman. I appreciate your holding this hearing, and I especially appreciate the opportunity to make a personal introduction of Mr. Charles Christopherson. Those that submit themselves to the confirmation process deserve our respect, and we owe it to them and the public to consider their nominations in a timely fashion, and I appreciate the fact that we are doing that today.

Today we consider two important positions at the Department of Agriculture. The Chief Financial Officer plays an important role in instituting the processes that promote the sound stewardship of taxpayer dollars. The Rural Utilities Service Administrator manages many of the programs that are so vital to our rural communities. Both positions require strong managers, and in both cases the President and Secretary Johanns have made good choices.

Clearly Mr. Andrew is well qualified. His background shows a devotion to rural America and the experience to succeed at RUS. He will be administering programs of great importance to the communities in my State, and I look forward to supporting his confirmation and working with him when he is confirmed. I should

warn you, however, Mr. Andrew, that I have a keen interest in many of the RUS programs and will probably be in touch frequently.

I want to take a moment now to introduce Charles Christopherson, who has been nominated to serve as the Department of Agriculture's Chief Financial Officer. As CFO he will have responsibility over USDA's financial management functions. Although he now lives in Texas, Mr. Christopherson has deep roots in Idaho. Mr. Christopherson's family is from Twin Falls, Idaho. Twin Falls sits on the Snake River in the center of Southern Idaho in an area known as Magic Valley.

By the way, my mother was born in Kimberly, which is just a little town a couple of miles outside of Twin Falls, and I spent a lot of my years there visiting my grandparents. So even though I live in Idaho Falls, Twin Falls is a very special place to me and the Magic Valley is a special part of my childhood.

The Magic Valley has long been home to strong agricultural industry. Mr. Christopherson's connections to this important part of Idaho will serve as a good reminder of the impact that USDA's policies have in our own communities.

I am also confident that his education and business experience will be a great asset to the Department. I do want to point out that Mr. Christopherson is a graduate of Brigham Young University's Marriott School of Management. While I have a little bias in his college selection, because I too am a graduate of BYU, the accounting program is nationally recognized.

Mr. Christopherson's business experience demonstrates his ability to thrive at every level and to apply his experiences effectively to each succeeding endeavor. He has had success in financial management, integrating controls in operations and finance, and working to turn around companies that are in difficult financial situations. But one thing that has impressed me is the fact that as a consultant he went into well-established, well-performing companies and made a difference.

Mr. Christopherson has demonstrated the tools to be an effective CFO for the Department of Agriculture, and I support the President's nomination of him, and look forward to working with him, and recommending him to my colleagues.

Thank you.

The CHAIRMAN. Thank you, Senator Crapo.

Senator Thomas, do you have any opening comments you wish to make?

Senator THOMAS. Not really, Mr. Chairman. I just want to thank you for having this. I think it is important that we move these offices to fill them, and certainly I am impressed with the nominees we have. I guess I have to admit some particular interest in the rural electric aspect of it, having spent a good deal of my career in that area, but I think they are very important, both of them, for the future of agriculture, and as rural electric responsibilities and service areas change, we are going to see a lot of changes there. So I certainly am supporting them.

Thank you for having this hearing.

The CHAIRMAN. Senator Salazar, any comment you wish to make?

Senator SALAZAR. I would only say, Mr. Chairman, thank you for holding this hearing. Thank you as well for holding the hearing yesterday on fuel costs and agriculture, and Senator Harkin, thank you as well.

And to Mr. Christopherson and Mr. Andrew, I look forward to working with you on issues relating to agriculture, and matters relating to utilities and making sure that the parts of America that are sometimes forgotten are not forgotten in your minds or in the minds of this committee or this country. I look forward to supporting your nominations.

The CHAIRMAN. Gentlemen, before I ask you to present any opening statements, would you both raise your right hand? Do you solemnly swear the testimony you're about to give before this hearing today will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. ANDREW. I do.

Mr. CHRISTOPHERSON. I do.

The CHAIRMAN. To each of you, do you agree that if confirmed you will appear before any duly constituted committee of Congress if asked?

Mr. ANDREW. Yes.

Mr. CHRISTOPHERSON. Yes.

The CHAIRMAN. Mr. Christopherson, we will turn to you first for any opening statement you wish to make

STATEMENT OF CHARLES R. CHRISTOPHERSON, JR., OF TEXAS, TO BE CHIEF FINANCIAL OFFICER, U.S. DEPARTMENT OF AGRICULTURE

Mr. CHRISTOPHERSON. Thank you, sir.

Mr. Chairman, Senator Harkin, and distinguished members of the committee, I am grateful and honored to be here today as the President's nominee for the Chief Financial Officer of the U.S. Department of Agriculture.

With me today are my wife, Colleen, and my eldest daughter, Chelsey. We have three other children at home in Texas. We have Alexa, age 8, Chase, age 4, and Caleigh, age 2. I apologize that they cannot join us today. However, if Caleigh and Chase were here, I believe that they would be much more entertaining than my opening statement.

I am humbled to be considered for a position with the Department of Agriculture. The myriad programs of the USDA affect the lives of all Americans, and they have affected mine. I was born in the farming community of Twin Falls, Idaho. The majority of my family, including grandparents, father, brother, uncles, aunts and cousins, still live in the greater Twin Falls region. When I was young, my grandfather managed the largest tractor repair facility in the area. At certain times of the year, which was planting and harvesting, we would get calls in the evenings or on weekends, and we would climb into the pickup truck and head out to the farm to repair a tractor. So you can say fairly young in my career I was already serving the farmer.

I have been exposed to the broad scope of the USDA programs. Growing up, my parents were in the forest products industry, and so therefore, they worked with the U.S. Department of Agri-

culture's Forest Service. In my career I became familiar with the USDA's Rural Development Agency while I was employed with one of the largest rural telecommunications carriers in the United States.

This telecommunications company provided a strong foundation for my executive career. At this company the executive management team mentored the managers and the managers mentored their teams. The teams worked hard and the culture accepted no less than the best performance. In this environment, our small financial team implemented new technology and reorganized processes to exceed current best practice standards for a financial close. These adjustments automated key processes that increased integrity of the information. Reporting timelines were reduced from approximately 20 days to 4 business days. We used cutting edge technology to report information to the desktop computers of our executives. The improvements also provided other benefits, including a reduction in audit fees, quicker audit opinions and fewer audit notes. Almost 15 years ago this was a remarkable accomplishment for a public corporation and it was an honor to manage this team.

Since that time I have had the opportunity to consult and lead teams in the structuring of business processes, information reporting, budgeting and management systems. Our clients were several of the largest corporations in retail, equipment manufacturing, mining, oil and gas, electric, construction, telecommunications and government. I have held executive management positions in corporate operations and finance. I have served as an officer and director with the titles of Chief Operating and Chief Financial Officer. Some of these positions were in companies with added complexities due to the blending of cultures of a new industry consolidation or the resource management of a turnaround.

I fully understand that the USDA is one of the largest entities in the United States with a financial structure and support systems that have been perpetually modified since the days of President Lincoln. This is a large and highly complex organization. It has its challenges, but has a tremendous workforce with experienced professionals.

It is my understanding that since 2002 we have received unqualified clean opinions, and for the last year, for 2004, we did so while meeting the accelerated November 15th due date. This is a great testament to the financial team at the Department of Agriculture. Also, I would be remiss if I did not take the opportunity to publicly commend the employees of the National Finance Center for their performance. Despite the devastation of Hurricane Katrina and the deployment of employees to backup sites, employees were able to process a payroll for more than 560,000 Federal employees, and they did this on time.

That said, there are challenges ahead and opportunities for improvement. If confirmed by the Senate I will use my experience to help the more than 1,700 members of the financial team to find the processes that will increase the accuracy and timeliness of information. My philosophy is that with better information faster, we can address problems sooner and at a lower cost. I believe that for any weakness in the systems and controls we can find short-term solutions to minimize the financial risk and find long-term economical

solutions to fix a problem permanently. In addition, not only should we measure the performance of this financial organization against other Government entities, but we should also measure it against the business practices in the private sector.

This is a great opportunity to serve the United States. I fully understand that the financial management of this organization is no small task, and if confirmed, the responsibility will not be taken lightly.

Thank you for your consideration, and I welcome your questions.

[The prepared statement of Mr. Christopherson can be found in the appendix on page 4.]

[The biographical information of Mr. Christopherson can be found in the appendix on page 22.]

The CHAIRMAN. Thank you.

Mr. Andrew?

STATEMENT OF JAMES McRAE ANDREW, OF GEORGIA, TO BE ADMINISTRATOR OF THE RURAL UTILITIES SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Mr. ANDREW. Mr. Chairman, Senator Harkin, and distinguished members of the committee, it is an honor to have been nominated by President Bush to serve as Administrator of the RUS in the rural development mission area of the United States Department of Agriculture. I am further humbled by the experience of appearing before this committee. Like you, agriculture has been vitally important to my family, my livelihood and my community for many years. And, Mr. Chairman, if I might say so, Mr. Harrison and my mama would both be proud.

With me today is my wife, Mary. Next month we will celebrate our 41st anniversary. Mary and I have two adult children, a son living in Baltimore, a daughter living in Atlanta. Mary and I live in rural Jenkins County, Georgia, near the town of Millen. We moved there 37 years ago to help preserve Mary's family farm after her father became seriously ill.

I was born in Alabama and raised in a small southeastern town called Geneva. After high school I left home and attended the University of Alabama, where I earned a degree in business administration. I also served in the Alabama Army National Guard for over 8 years, six months of which I was on active duty.

The value of hard work was instilled in me at an early age. As early as age 10, I began helping my father in his small farm equipment business, where I worked assembling implements and as a mechanic's helper, back then called a "grease monkey." Since that time I have had very few periods in my life when I did not earn a paycheck.

Over the course of my career I gained experience in the corporate world as well as small business owner. My corporate experience includes work in sales and management for a large electrical distribution equipment manufacturer, and financial consultant in a brokerage division of a large insurance company. Then after a period as marketing director for the Georgia Electric Membership Corporation, I decided to start my own business in the nearby town of Waynesboro, Georgia.

Over 28 years ago I established an agricultural irrigation company that specialized in the design, sale, installation and service of center pivot irrigation. Over time my business expanded to include construction of agricultural and commercial steel buildings. While growing my business, I was asked to serve on the dealer councils of a steel buildings manufacturer and a center pivot irrigation equipment manufacturer. After more than 20 years I sold the business, and the new owners asked me to remain as a consultant. I continued to consult for that company and several other companies until my nomination by the President.

In addition to my endeavors as a small business owner, I was also involved in the various community development activities in my county and beyond. I was a founding member of the board of directors of a community bank, and I was also serving as chairman of that board when we sold to a larger bank that is dedicated to serving rural communities. I remained on the board of the merged holding company until my nomination.

In 1976 I was elected to serve on the board of my local electric cooperative, and I remained on that board for 25 years. During that time, I served two terms as an officer and two terms as president. The board of my local co-op elected me to represent the co-op on the board of Georgia Electric Membership Corporation. I served as an officer and president of that association until the board elected me to represent Georgia on the board of the National Rural Electric Cooperative Association, NRECA. I served 16 years on that board. Six of those years I served as an officer, including two as president. As president of NRECA, I served on the board of the National Rural Electric Cooperative Finance Corporation, CFC, a supplemental finance cooperative owned by the members.

If confirmed as Administrator of RUS, it will be the culmination of my life experiences and my service to rural America.

The Rural Utilities Service and its predecessor agencies have earned a unique place in American history. By combining Federal resources with the ingenuity of the American people, RUS has brought reliable electricity, clear telecommunications and safe drinking water to rural America.

Today our Nation is facing new challenges, and there is still much more work to be done. Under the leadership of Secretary Johanns and Under Secretary Dorr, I believe USDA Rural Development has a unique opportunity to make major contributions to the immediate and long-term future of rural America. If confirmed as Administrator of RUS, I will use my experience as a small business owner and industry leader to ensure that RUS delivers its programs as efficiently as possible so we can have the maximum impact on the lives of rural Americans and communities throughout the country.

Mr. Chairman, and members of the committee, if I am confirmed to this position, I will work with each of you to earn your respect and your support as we work together to strengthen America.

Thank you, and I will be happy to answer any questions.

[The prepared statement of Mr. Andrews can be found in the appendix on page 6.]

[The biographical information of Mr. Andrew can be found in the appendix on page 46.]

The CHAIRMAN. I thank both of you gentlemen.

Just a quick anecdote that my colleagues will appreciate. In my conversation with Jim yesterday he was telling me, as happens in all rural towns that each of you come from just like I do, word spreads pretty quick when somebody is being considered for something like this. They already think Jim is the Secretary of Agriculture back in Jenkins County. He ran into one of his farmer friends the other day in the post office. The first thing he said to him was, "You got to save my FAS office."

[Laughter.]

The CHAIRMAN. All of us have had that experience.

Mr. Andrew, the USDA Office of Inspector General published a report on September 30, 2005 regarding the lending practices of the RUS Broadband Grant and Loan Programs. The report outlined areas of concern that suggest the emphasis of the program had shifted away from the rural communities that would not, without Government assistance, have access to broadband technologies. Are you aware of this issue, and can you comment on this matter?

Mr. ANDREW. Yes, Mr. Chairman, I'm aware of it. I read the report. I also read the response to it, and because I have not been in a position to have any input to it, at this point I don't think I'm qualified to speculate on a response to it. But I can assure you that it is on the front burner of everything I'll be looking at, and I'll be glad to work with you when I get over—if I get over to the position.

The CHAIRMAN. What particular skills or work experiences do you feel would make you uniquely qualified for this position?

Mr. ANDREW. Mr. Chairman, as I said, beginning early on in life, everything I've ever done in my life I think has worked towards this particular job, both in the rural electrification efforts and rural development and things I'm interested in in rural development and rural communities. Living in a rural community all my life I think prepares me for this.

The CHAIRMAN. Mr. Christopherson, I would imagine that your experience in the management and operation of several companies, some of them distressed companies, has impressed upon you an appreciation for effective financial management. Most of the businesses you have been associated with in the past are of a much smaller scale than Department of Agriculture. Can you comment on how you will provide effective management and oversight for such a large institution, and how your previous experience qualifies you for the position of Chief Financial Officer?

Mr. CHRISTOPHERSON. Well, Mr. Chairman, there's no doubt that this is a very complex organization with over 300 different programs and to account for those different programs is going to be a difficult task. In addition, I don't have a lot of exposure to the systems or what's happened necessarily in the past, but it will be a very large task.

First of all, you know, I recognize out the door very complex organizations. I've consulted for very large, very complex organizations in my past, and gratefully, we were able to add a great benefit to many of those companies. The nice thing with this position is I'll actually have the chance to focus only on the finance side. In my past I've had additional responsibilities with these compa-

nies in both operations and finance as we're moving through a turnaround or through an industry consolidation.

The CHAIRMAN. As part of the Improper Payments Information Act of 2002 all Federal agencies are required to annually identify programs susceptible to improper payments, and to implement statistical projections or mitigation plans. The Office of Inspector General recently found that the Office of Chief Financial Officer did not provide USDA agencies with prescriptive and detailed guidance to assess programs and activities acceptable to significant improper payments, thus, likely limiting OCFO's ability to monitor and limit improper payments.

Could you please comment on the importance of limiting improper payments and expenditures and how you would address providing agencies with the USDA the necessary guidance to assess programs susceptible to improper payments?

Mr. CHRISTOPHERSON. Well, any time there's improper payments, for a financial person—and I'm sure for taxpayers—a light goes off on our head and we're all worried about leaks in the system or what that could affect. In the battery of the information I've actually received over the last couple of days, there was a report that came out that was, you know, a FSA report that actually talked about this subject, and it appeared that the issue was addressing clarity in instruction and to be concise. I would expect that with multiple programs that you're going to have some issues in that area.

Upon confirmation, I am happy to look into this area, am happy to make sure that the instructions that we give, as stewards of the taxpayers' monies, are very concise and that we put out report cards and check forms and have the right information delivered to our programs so that they can function properly.

The CHAIRMAN. As I mentioned to you yesterday in our conversation, you have a wealth of experience in the area of financial management, but I think what you are going to find at USDA, we operate a lot differently from the way the private sector operates, and there is going to be a real challenge in a number of areas. This is one area, improper payments and overpayments, that I think is going to merit a lot of your attention, because while we want to do what the farm bill requires us to do relative to the payments to our farmers, it is always an area that can be abused, so I will hope that you will give this primary importance.

Senator Harkin?

Senator HARKIN. Thank you very much, Mr. Chairman.

I want to congratulate both of you on your nominations and welcome you here today. You are here on a very special day here in Washington, D.C. Today is a special day. It is a day noted on calendars all across the country. Today is a day celebrated in song and verse all over America. Today is a day when the people of Georgia and the people of the United States pause to give thanks for a very dedicated public servant, for today is the birthday of our chairman, Saxby Chambliss.

[Applause.]

The CHAIRMAN. I think there is some collusion among our staffs.

Senator HARKIN. I think so.

[Laughter.]

Senator HARKIN. I have been told this is the 10th anniversary of your 39th birthday. Well, happy birthday, Mr. Chairman, and many, many, many more.

Well, again, welcome. I am sure that you will both get through fine. I do not know Mr. Christopherson; I have met before maybe in passing, I do not know particularly. I know that Mr. Andrew and I have met in the past when you were on the NRECA Board for all those years and on the Agricultural Committee, so I congratulate you both.

I just have one thing that I just wanted to cover, Mr. Andrew, with you, and that has to do with broadband. In the 2002 Farm Bill, there is a Section 6103 that we put in, both the Senate and the House, we worked together on it. It is in the final version of the farm bill. It is law now. It set up a loan program for broadband technology in rural areas. We put in $2 billion in sort of a revolving loan fund, $2 billion. Our goal was to get broadband into rural America as fast and as rapidly as possible. Well, not much happened. Things sort of dragged along, not much happened.

In April of 2004 President Bush spoke to a rural development conference in Des Moines, Iowa. Senator Grassley and I were both there, Congressman Latham, a few others. And in his speech the President said that his goal was to have broadband to all of rural America by 2007. Well, I applauded very loudly for that, as others did. After the speeches and the President shook hands with people, then he came behind the curtain. And his people came out and asked if I wanted to say goodbye to the President. I said, "Sure."

So we went behind the stage, and it was Senator Grassley and I were both back there. The President came by and just chit-chatted a little bit. I said to the President, I said, "Well, Mr. President, I really appreciate what you said about getting broadband out by 2007." I said, "But, you know, you might run into a little problem." And I sort of smiled at him. He said, "Well, what's that?" I said, "Well, there's a provision in the farm bill; we put in $2 billion to do that, and quite frankly, the Department of Agriculture has been dragging its feet." At that time—this was April of 2004—we had about $1.6 billion, 1.7, that had been unexpended. They only expended just a few hundred million at that point. And so I told him that. And I said, "I have been hearing from people around Iowa, who want to get these loans, that want to expand broadband, and the red tape is just endless." Senator Grassley chimed in and said, yes, he has been hearing the same thing.

The President, of course, is very interested. He called over his staff and said, "Get this down and let us look into that." And so we gave it to some staff person that came over and we told him what it was about. That was in 2004, April.

Now we are in November of 2005. There is now still about 1.4, 1.5 billion dollars still left in that fund. I have been tracking this because I just cannot understand why we cannot move a little bit better.

And so I began asking questions about how we implement and how RUS—this is under your jurisdiction, under RUS—how we implement it. This is not in the law. These are the rules that RUS came up with. One, that the equity and cash requirements are too high and unreasonable. RUS requires that companies have at least

one year's cash balance in the bank to cover the entire operations of the company. Even if the company has non-broadband stuff, they have to cover that too, so not even the broadband, all operations of the company. So it has resulted in kind of a situation where a company seeking a $5 million loan, a small company seeking a $5 million loan has to have $5 million in the bank. If they have $5 million in the bank, why do they need a loan?

Further, in determining the cash requirement, RUS does not take into account actual revenues of a company. For example, you could have a small company that already has 10,000 customers. They want to extend broadband out, but they cannot put down the revenue base from the 10,000 customers as a monthly revenue stream. I know it sounds bizarre, but this is what is happening.

Requirements in the application process in terms of how the public notice goes out. The public notice goes out, and then what happens is it takes 12 months. In fact, I have it here. The review applications have been between 6 to 9, even 12 month, before even hearing back from the Agency on their application. In the meantime what happens is a competitor out there sees that, knows that they are going to apply for this loan, and they sneak in there in front of them.

I can go on and on. There is a whole bunch of things happening on this. A September USDA Inspector General report had a number of complaints about the administration of this program. Nothing seems to happen. I have been on this thing for a year and a half or two now on this, and nothing ever seems to happen. I hope I do not sound too cynical, Mr. Andrew, but it almost sounds to me like the big cable companies and the big telephone companies that are not servicing rural America, but like to go downtown, they like to go into our towns of 15,000 and 10,000, they like to service a downtown area. They like that. They get that. But like the old rural electrics, they do not want to go out to that farmstead out there. They do not want to come to my hometown of 150 people. They do not want to do that. But they will go downtown and pick those off like that.

Again, I do not want to sound too cynical, but it almost sounds like the cable companies and the big phone companies have gotten to somebody, and said, "We do not want this program to work."

So, Mr. Andrew, I am hopeful. I know you are down the pecking order on this thing, but you are still the head of RUS. You have a long history in knowing what rural electric did for America.

We were not risk adverse when we put telephone lines out to our farmsteads and our small towns in America. We knew there was risk in doing that, but we managed it. RUS manages rusk. It is not risk adverse. And that is what I am asking in broadband, manage the risk. Do not be so risk adverse that you say, "We cannot give a loan out there because we want to make absolutely 100 percent certain that the company we give it to will not default and will not fail." Some of them will. Some of them will. Some of them will go under and probably sell off to somebody else.

I just wanted to get that off my chest because I have been so frustrated. Now you are going to take over that position there, and to the extent that you are in that position, and when you come back up here next year or when you appear before our Appropria-

tions Committee on Ag Approps, on which is also sit, I am going to be asking the same questions. I will not be asking it just of you.

I brought this up with everyone. Mr. Dorr sat here. I will not go into all that history, but he sat there and he talked about broadband and getting broadband out. Secretary Johanns, I have known Secretary Johanns for a long time. He says the same thing. When the President of the United States is interested in it, I say, well, something is going on, and I do not know what it is.

So I hope that you can take that message back, and I hope you can take the wonderful experience you have had, and the leadership you have had in NRECA and rural electrics, and say, "This is what we need to do with broadband." Broadband to rural America today is what rural electric was to rural America 50, 60, 70 years ago, and we have to get it out to our small towns and communities and our farmers.

Mr. Chairman, thank you for your indulgence. I do not really have a question, I guess. Just I hope you will—oh, yes.

Will you personally work to modify the regulations and application process—

Mr. ANDREW. Almost dodged it.

Senator HARKIN. —to get this thing going?

Mr. ANDREW. Almost dodged it. Senator Harkin, let me say this. There is a lady sitting behind me that shares your concern. There is a gentleman sitting behind me also that once introduced me saying that I lived so far in the country you had to go towards town to go hunting. And that's the size of it.

When she tries to get on the Internet, and she can go and start the dishwasher to running before it ever gets up and running again, then I hear about it.

Senator HARKIN. Yes.

Mr. ANDREW. So it is not only you who will be asking these questions, but so will she.

[Laughter.]

Senator HARKIN. Good.

Mr. ANDREW. And it's on the front burner, and I guarantee you that I will look after it, and I would like to come discuss it with you. I would like to discuss ideas that we might come before it. Now right now I'm not qualified to have any.

Senator HARKIN. I understand that.

Mr. ANDREW. But I'd like to come forward with some, and I know it's an issue with you, and I'd like very much to discuss it with you.

Senator HARKIN. You listen to her every day.

[Laughter.]

Mr. ANDREW. Don't you?

[Laughter.]

Senator HARKIN. Thank you.

Mr. ANDREW. Thank you, sir.

The CHAIRMAN. Senator Crapo?

Senator CRAPO. Thank you very much, Mr. Chairman. I do not really have a question either. I have a comment on another part of the farm bill in 2002 that we have not been able to get implemented well that is very important and dear to me, and I just want to make it something that both of you are aware of because I think that both of you may have the ability to help us make it a reality.

It is program that we authorized in the 2002 Farm Bill called Project SEARCH. What it is, is a project that focuses on helping small communities, communities of less than 2,500 people, to meet the environmental mandates that they have to meet under other laws such as the Clean Water Act, the Safe Drinking Water Act and so forth. What we find is that many of our rural communities face these mandates under Federal law, but the cost of the systems that they are required by Federal law to implement are not achievable because they do not have the economies of scale that larger population centers have that can finance them.

So these small communities then get fined because they cannot come up with the money to meet the mandates of Federal law, and it is a never-ending downward spiral for these small communities.

So a number of years ago, about 5 or 6 years ago, I got a project for Idaho started, and we called it Project SEARCH. The acronym is Special Environmental Assistance for Regulations of Communities and Habitat Grants Programs. I do not know how we came up with that, except that I guess we liked the acronym and we found some words to meet it.

What it means is we were trying to find some simplified ways to get grant monies to small communities so that they could get past all the red tape and get down to getting the resources to be able to meet some of these Federal mandates, and particularly in the infrastructure that they need for clean water and safe drinking water. It is similar to broadband. The infrastructure that is so critical in our rural communities is what will help them participate in the economy of our Nation and of our world, and we have to be able to assist them.

Anyway, we got this in the farm bill, and then we did not fund it. It is authorized but not funded. So it is really not USDA's fault right now that they are not implementing it because Congress has not give the USDA the dollars to do it with. However, getting those dollars is not just our task. I was also talking to my chairman and our ranking member here to help on this program because at some point, and especially as we work on the next farm bill and as we work with our appropriators, I am going to be asking for your help to try to get the funding for this program so that the USDA can implement it. It also helps if the USDA is interested in this program and helping request in its budget requests for this to be funded so that they can implement it.

I just wanted to raise this to your attention and let you know—I will conclude by non-question comment here with this—we did get this for the State of Idaho. We got a millon dollars about 4 or 5 years ago as a pilot project to see how it would work, and it was a phenomenal success. There are communities, 2,500 and less communities all over Idaho who were literally saved. We put together a team that evaluated the requests for participation in this grant program. They had way more applications for this million dollars in Idaho than there were dollars to go out. But the small number of communities that we were able to give a little money to, were literally saved, sometimes from litigation and from fines, and frankly, they were able to implement in their communities the kinds of systems and infrastructure that they needed to help im-

prove the quality of life and to meet the Federal mandates and to get themselves back on course.

I just wanted to raise your attention to Project SEARCH, and I want you to know that I hope to see it coming forward in next year's budget requests from the Department, and I will commit to help from my end to try and see if we cannot get the money in the budget for it.

Thank you.

The CHAIRMAN. Thank you.

Well, gentleman, as I said earlier, you have got a real challenge ahead of each one of you in these respective positions, and I am very confident that based on the qualifications of each of you, that you are going to be able to meet those challenges, and we as a committee are here to help you. I hope you will never hesitate to call on us to work with you on any particular issues that you have within your respective offices, and we look forward to dialogues with you.

At this time I would ask unanimous consent that we report these two gentlemen out of the committee, these nominations in a favorable way, with the understanding that any member of the committee who wishes to submit questions can do so by the end of today, and that you will respond to them immediately. Is there objection?

[No response.]

The CHAIRMAN. If not, they will be reported out.

This hearing is concluded. Thank you very much.

[Whereupon, at 9:44 a.m., the committee was adjourned.]

APPENDIX

NOVEMBER 10, 2005

Statement of Charles R. Christopherson Jr.
Nominee for Chief Financial Officer
United States Department of Agriculture
November 10, 2005

Mr. Chairman, Senator Harkin, and distinguished members of the committee, I am grateful and honored to be here before you this day as the President's nominee for the position of Chief Financial Officer of the United States Department of Agriculture.

With me today are my wife, Colleen, and my eldest daughter, Chelsey. In Texas are our three other children: Alexa, age 8, Chase, age 4, and Caleigh, age 2. I apologize that they could not join us today. If they were here, Chase and Caleigh would be much more entertaining than my introductory remarks.

I am humbled to be considered for a position with the Department of Agriculture. The myriad programs of the United States Department of Agriculture affect the lives of all Americans. It has certainly touched mine. I was born in the farming community of Twin Falls, Idaho. The majority of my family, including grandparents, father, brother, uncles, aunts and cousins, still live in the greater Twin Falls region. When I was young, my grandfather managed the largest tractor repair facility in the area. At certain times of the year, he would receive a call in the evening or on the weekends and we would climb into the truck and head to a farm to repair a tractor. So, you could say that I started working in support of farmers early in life.

I have also been exposed to the broad scope of USDA programs. Growing up, my parents were in the forest products industry and worked with the USDA's Forest Service. Later, I became familiar with USDA's Rural Development agency while I was employed by one of the largest rural telecommunication carriers in the United States.

It was this telecommunications company that provided a strong foundation for my executive career. At this company, the executive management team mentored the managers and then the managers mentored their teams. The teams worked hard and the culture accepted no less than the best performance. In this environment our small financial reporting team implemented new technology and reorganized processes to exceed current "best practice" standards for a financial close. These adjustments automated key processes that increased the integrity of the information. Timelines were reduced from approximately 20 days to 4 business days. We used cutting edge technology to report information to the desktop computer of each executive. This improvement also provided other benefits including the reduction in external audit fees, quicker audit opinions, and fewer audit notes. Almost fifteen years ago, this was a remarkable accomplishment for a public corporation, and it was an honor to manage this team.

Since that time, I have had the opportunity to consult and lead teams in the structuring of business processes, information reporting, budgeting, and management systems for

several of the largest corporations in retail, equipment manufacturing, mining, oil and gas, electric, construction, telecommunications and government. I have held executive management positions in corporate operations and finance. I have served as an officer and director with the titles of Chief Operating and Chief Financial Officer. Some of these positions were in companies with added complexities due to the blending cultures of a new industry consolidation or the resource management of a turnaround.

I fully understand that the USDA is one of the largest entities in the United States with a financial structure and support systems that has been perpetually modified since the days of President Lincoln. This is a large, highly complex organization. Like any large organization it has its challenges, but it has a tremendous workforce with experienced professionals.

It is my understanding that since Fiscal Year (FY) 2002, the department's consolidated financial statements have received unqualified "clean" opinions, and that last year, for FY 2004, it did so while meeting the accelerated November 15 due date. That accomplishment is a testament to the financial team. Second, I would be remiss if I did not take the public opportunity to commend the employees of the National Finance Center for their performance. Despite the devastation of Hurricane Katrina and the deployment of employees to backup sites, employees were able to process payroll for more than 560,000 federal employees on time.

That said, there are challenges ahead and opportunities for improvement. If confirmed by the Senate, I will use my experience to help the more than 1,700 members of the financial team find processes that will increase accuracy and timeliness of information. My philosophy is that with better information, faster, we can address problems sooner and at a lower cost. I believe that for any weakness in the systems and controls, we can find short-term solutions to minimize the financial risk and find long-term, economical solutions to permanently fix problems. In addition, not only should we measure the performance of this financial organization to other government entities, but to competitive business practices.

This is a great opportunity to serve the United States. I fully understand that the financial management of this organization is no small task, and if confirmed the responsibility will not be taken lightly.

Thank you for your consideration, and I welcome your questions.

In addition to my endeavors as a small business owner, I was also involved in various community development activities in my county and beyond. I was a founding member of the board of directors of a community bank, and I was serving as the chairman of the board when we sold to a larger bank that was dedicated to serving rural communities. I remained on the board of the merged holding company until my nomination.

In 1976, I was elected to serve on the board of my local rural electric cooperative, and I remained on the board for 25 years. During that time, I served two terms as an officer and two terms as president. The board of my local co-op elected me to represent the co-op on the board of GEMC. I served as an officer and as president of that association until the board elected me to represent Georgia on the board of the National Rural Electric Cooperative Association (NRECA).

I served 16 years on the NRECA board. Six of those years I served as an officer, including two as the president. As president of NRECA, I served on the board of the National Rural Electric Cooperative Finance Corporation (CFC), a supplemental finance cooperative owned by the members.

If I am confirmed as the Administrator of RUS, it will be the culmination of my life experiences and my service to rural America.

The Rural Utilities Service and its predecessor agencies have earned a unique place in American history. By combining Federal resources with the ingenuity of the American people, RUS has brought reliable electricity, clear telecommunications and safe drinking water to rural America.

Today, our nation is facing new challenges, and there is still much more work to be done. Under the leadership of Secretary Johanns and Undersecretary Dorr, I believe USDA Rural Development has a unique opportunity to make major contributions to the immediate and long-term future of rural America. If confirmed, I will use my experience as a small business owner and industry leader to ensure that RUS delivers its programs as efficiently as possible, so we can have the maximum impact on the lives of rural Americans in communities throughout the country.

Mr. Chairman and members of the committee, if I am confirmed to this position, I will work with each of you to earn your respect and your support as we work together to strengthen rural America.

Thank you, and I would be happy to answer any questions that you may have.

Statement of James M. Andrew

Nominee, Administrator of the Rural Utilities Service

United States Department of Agriculture

November 10, 2005

Mr. Chairman, Senator Harkin and distinguished members of this committee, it is an honor to have been nominated by President Bush to serve as the Administrator of the Rural Utilities Service (RUS) in the Rural Development Mission Area at the U.S. Department of Agriculture. I am further humbled by the experience of appearing before this Committee. Like you, agriculture has been vitally important to my family, my livelihood and my community for many years.

With me today is my wife, Mary. Next month, we celebrate our 41st wedding anniversary. Mary and I have two adult children. Our son lives in Baltimore and our daughter in Atlanta. Mary and I live in rural Jenkins County, Georgia near the town of Millen. We moved there 37 years ago to help preserve Mary's family farm after her father became seriously ill.

I was born in Alabama and raised in the small southeast Alabama town of Geneva. After high school, I left home to attend the University of Alabama, where I earned a degree in Business Administration. I also served in the Alabama Army National Guard for over eight years, including six months on active duty.

The value of hard work was instilled in me at a young age. As early as age 10, I began helping my father in his small farm equipment business, where I worked assembling implements and as a mechanic's helper. Since that time, I have had very few periods in my life when I didn't earn a paycheck.

Over the course of my career, I gained experience in the corporate world and as a small business owner. My corporate experience includes work in sales and management for a large electrical distribution equipment manufacturer and financial consulting in the brokerage division of a large insurance company. Then, after a period as marketing director for the Georgia Electric Membership Corporation (GEMC), I decided to start my own business in the nearby town of Waynesboro, Georgia.

Over 28 years ago, I established an agricultural irrigation company that specialized in the design, sale, installation and service of center pivot irrigation. Over time, my business expanded to include construction of agricultural and commercial steel buildings. While growing my business, I was asked to serve on the dealer council of a steel buildings manufacturer and a center pivot irrigation equipment company. After more than 20 years, I sold the business. The new owners asked me to remain as a consultant. I continued to consult for that company and several other companies until my nomination by the President.

DOCUMENTS SUBMITTED FOR THE RECORD

NOVEMBER 10, 2005

QUESTIONNAIRE FOR UNITED STATES DEPARTMENT OF AGRICULTURE NOMINEES
BIOGRAPHICAL INFORMATION (PUBLIC)

1. Full name (include any former names used).
   Charles R. Christopherson Jr.; Chuck Christopherson; C.R. (Chuck) Christopherson; C.R. Christopherson

2. Date and place of birth.

   June 24, 1964; Twin Falls, Twin Falls County, Idaho, USA

3. Marital Status (include maiden name of wife or husband's name). List spouse's occupation, employer's name and business address(es).

   Colleen Michele Christopherson (Maiden: Wells); Chief Executive Officer, CB Solutions LLC, 2250 Pool Road, Ste 202, Grapevine, TX 76051.

4. Education: List each college and graduate or professional school you have attended, including dates of attendance, degrees received, and dates degrees were granted.

   University of Oregon
   Dates of Attendance: September 1994 to June 1996
   Degree: Masters of Business Administration
   Date Degree Granted: June 1996

   Brigham Young University
   Dates of Attendance: September 1982 to April 1983; September 1985 to April 1989
   Degree: Bachelor of Science, Accounting
   Date Degree Granted: April 1989

5. Employment Record: List (by year) all business or professional corporations, companies, firms, or other enterprises, partnerships, institutions and organizations, nonprofit or otherwise, including farms, with which you were connected as an officer, director, partner, proprietor, or employee since graduation from college; include a title and brief job description.

   2003 to Present
   CB Solutions LLC: President

Start-up, business services company

2001 to 2003
Encompass Services Corporation; Vice President of Operations/Finance
Direct responsibility of the Chief Financial Officers and IT Directors at the operating companies in Texas, Oklahoma, and Arizona. Mentoring of operating Presidents. Responsibility over operations for disposition until sales and transfer dates. Member of Sarbanes Oxley Management Review Committee. Member of the Financial Processes and Procedures Committee.

2001 to 2001
NetVersant; Consultant
Consultant on operating and financial processes to a new industry consolidator.

2001
Board Member; National Kidney Foundation of Colorado, Wyoming, and Idaho
Advisor for a not-for-profit charity organization that aids kidney transplant patients

2000 to 2001
Lantech; Chief Operating Officer and Chief Financial Officer
Operating and financial executive for a company that was in financial distress.

1998 to 2000
ICG Fiber Optic Technology; Vice President of Corporate Services and Chief Financial Officer
June 1999 to Feb 2000 Responsible for all operations, finance, and support services of the company. Prior, Vice President of Finance and Chief Financial Officer, responsible for the finance and IT function of the company. Director of the company from 1998 to 2000.

1996 to 1998
Comshare Inc; Senior Business Solutions Consultant
Managed the restructuring of financial process and implementation of financial software. Significant clients: Resource Group International, City of Seattle, Baker Petrolite, CMS Nameco (Hyster-Yale), Kennecott Mining, Freightliner, Flour Daniels, Pacific Telecom, PacifiCorp, Pegasus Gold, Starbucks Coffee.

1991 to 1996
Pacific Telecom Inc; Accounting Coordinator, Consolidations and Financial Reporting
Internal and external financial reporting for a publicly traded corporation. Management of accounting staff for consolidations and diversified operations.

1989 to 1991
Red Lion Hotels and Inns; Area Assistant Controller and Hotel Controller
Assistant Controller for a region of hotels. Hotel Controller with responsibility of accounting, audit, and purchasing.

6. Military Service: Have you had any military service? If so, give particulars, including the dates, branch of service, rank or rate, serial number and type of discharge received.

No Military Service

7. Government Service: State (chronologically) your government service or public offices you have held, including the terms of service grade levels and whether such positions were elected or appointed.

No Paid Government Service. 1989 Member of a public water utility rate setting committee

8. Honors and Awards: List any scholarships, fellowships, honorary degrees, and honorary society memberships that you received and believe would be of interest to the Committee.

Honorary listing in Who's Who in America and Outstanding Young Americans

9. Other Memberships: List all organizations to which you belong, excluding religious organizations.

Financial Executives International
American Institute of Certified Public Accountants
Washington State Association of CPAs
Republican National Committee
University of Oregon Alumni Association
Brigham Young University Management Society
Fund Raising Committee Member - Boys and Girls Club of Arlington

10. Published Writings: List the titles, publishers, and dates of books, articles, reports, or other published materials (including published speeches) you have written. Please include on this list published materials on which you are listed as the principal editor. It would be helpful to the Committee if you could provide one copy of all published material that may not be readily available. Also, to the maximum extent practicable, please supply a copy of all unpublished speeches you made during the past five years on issues involving agriculture, nutrition, forestry or

commodity futures policy or related matters.

No published writings. No unpublished speeches made during the past five years involving agriculture, nutrition, forestry or commodity futures policy

11. Health: What is the present state of your health?

Good

FINANCIAL DATA AND CONFLICT OF INTEREST (PUBLIC)

1. Have you severed all connections with your immediate past private sector employers, business firms, associations, and/or organizations?

   Upon confirmation will resign current position with CB Solutions LLC and transfer shares to spouse, the Chief Executive Officer of the company. Will move 401k managed by ICG Communications (former Employer) to an IRA. Will move SEP under the CB Solutions LLC plan to an IRA. Will resign from committee service for the Boys and Girls Club of Arlington, however, will retain membership with the American Institute of Certified Public Accountants, Washington Society of CPAs, Financial Executives International, Republican National Committee, University of Oregon Alumni Association, and Brigham Young University Management Society.

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services, firm memberships, former employers, clients, or customers.

   Currently hold a 401k that the management fees are paid by ICG Communications Inc. In the agreement with the USDA, I will start the transfer of the funds to a Rollover IRA, therefore removing this item from income consideration as a former employer. Upon confirmation, my ownership in CB Solutions LLC will be transferred to my spouse, whom is the majority owner of the company. CB Solutions LLC will still maintain its clients in the normal course of business.

3. Do you, or does any partnership or closely held corporation in which you have an interest, own or operate a farm or ranch? (If yes, please give a brief description including location, size and type of operation.)

   No farm or ranch

4. Have you, or any partnership or closely held corporation in which you have an interest, ever participated in Federal commodity price support programs? (If yes, provide all details including amounts of direct government payments and loans received or forfeited by crop and farm, etc. during the past five years.)

   No participation in a Federal commodity price support program

5. Have you, or any partnership or closely held corporation in which you have an interest, ever received a direct or guaranteed loan from or cosigned a note to the Rural Business-Cooperative Service, Rural Housing Service, the Rural Utilities Service or their predecessor agencies, the Farmers Home Administration, the Rural Development Administration, the Rural Housing and Cooperative Development Service or the Rural Electrification Administration? (If yes, give details of any such loan activity during the past 5 years.)

   No loans or cosigned notes to the Rural Business-Cooperative Service, Rural Housing Service, the Rural Utilities Service or predecessor agencies

6. Have you, or any partnership or closely held corporation in which you have an interest, ever received payments for crop losses from the Federal Crop Insurance program? (If yes, give details.)

   No payments received for crop losses from the Federal Crop Insurance program

7. If confirmed, do you have any plans, commitments, or agreements to pursue outside employment or engage in any business or vocation, with or without compensation, during your service with the government? (If so, explain.)

   No plans, commitments, or agreements to pursue outside employment or engage in any business or vocation, with or without compensation during my service with the government

8. Do you have any plans to resume employment, affiliation, or practice with your previous employers, business firms, associations, or organizations after completing government service? (If yes, give details.)

   Unknown if I will resume employment at CB Solutions LLC. Will still be a member of the American Institute of Certified Public Accountants, Washington Society of CPAs, Financial Executives International, Republican National Committee, University of Oregon Alumni Association, and Brigham Young University Management Society.

9. Has anyone made a commitment to employ you or retain your services in any capacity after you leave government service? (If yes, please specify.)

   No persons or companies have made a commitment to employ me or retain my services in any capacity after I leave government service.

10. Identify all investments, obligations, liabilities, or other relationships which involve potential conflicts of interest in the position to which you have been nominated.

    Do not believe that there is a potential conflict of interest with investments, obligations, liabilities or other relationship. The Office of Ethics has requested that I liquidate all investments in telecommunication providers and banks to reduce the appearance of conflicts of interest. We have complied with this liquidation request.

11. Have you ever received a government guaranteed student loan? If so, has it been repaid?

    Yes, I received a government guaranteed student loan and it has been repaid

12. If confirmed, explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items.

    Although I do not view that I have a conflict of interest, I am working with the designated agency ethics official to avoid a conflict of interest or the appearance of a conflict of interest. Small investments in several telecommunications, banking and software companies have been sold to eliminate the appearance of a conflict of interest.

November 7, 2005

Honorable Saxby Chambliss
Chairman
Committee on Agriculture, Nutrition, and Forestry
United States Senate
Washington, D.C. 20510-6000

Dear Mr. Chairman:

On September 9, 2005, a copy of my SF-278, Executive Branch Public Financial Disclosure Report, required in connection with my nomination to serve as Chief Financial Officer at the U.S. Department of Agriculture was submitted to the U.S. Office of Government Ethics. That report contained all required financial information for calendar year 2004 and for the current calendar year through July 28, 2005.

The Ethics in Government Act of 1978, as amended, also requires that I update certain of the information reported on the SF-278, i.e., that required by section 102(a)(1)(A) of the Act, respecting income (other than my Federal salary and dividends, interest, rents, and capital gains) and honoraria, to a date which occurs not more than five days before the date of the hearing to be held by your Committee to consider my nomination. The hearing to be held on my nomination is scheduled for November 10, 2005. The purpose of this letter is to report that since I filed my Financial Disclosure Report, I earned no reportable income since the submissions of my financial disclosure report.

I trust that this letter satisfies the additional applicable reporting requirements contained in the Ethics in Government Act.

Sincerely,

Charles R. Christopherson
Nominee for Chief Financial Officer

cc: Hon. Marilyn Glynn, Acting Director, US Office of Government Ethics
John Surina, USDA Designated Agency Ethics Official

United States
Office of Government Ethics
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

September 12, 2005

The Honorable Saxby Chambliss
Chairman
Committee on Agriculture, Nutrition,
and Forestry
United States Senate
Washington, DC 20510-6000

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Charles R. Christoperhson, Jr., who has been nominated by President Bush for the position of Chief Financial Officer, Department of Agriculture.

We have reviewed the report and have also obtained advice from the Department of Agriculture concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is an undated letter from Mr. Christopherson to the Department's ethics official, outlining the steps that he will take to avoid conflicts of interest. Unless a specific date has been agreed to, the nominee must fully comply within three months of his confirmation date with the actions he agreed to take in his ethics agreement.

Based thereon, we believe that Mr. Christopherson is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Marilyn L. Glynn
General Counsel

Enclosures

SF278 (Rev. 09/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

Executive Branch Personnel PUBLIC FINANCIAL DISCLOSURE REPORT

Form Approved:
OMB No. 3209-0001

Date of Appointment, Candidacy, Election or Nomination (*Month, Day, Year*)	Reporting Status (*Check appropriate boxes*)	Incumbent [ ]	Calendar Year Covered by Report	New Entrant, Nominee, or Candidate [X]	Termination Filer [ ]	Termination Date (*If Applicable*) (*Month, Day, Year*)
Reporting Individual's Name	Last Name: Christopherson			First Name and Middle Initial: Charles R. Jr.		
Position for Which Filing	Title of Position: Chief Financial Officer			Department or Agency (*If Applicable*): United States Department of Agriculture		
Location of Present Office (or forwarding address)	Address (*Number, Street, City, State, and ZIP Code*): 605 Boardwalk Ave., Southlake, Texas 76092			Telephone No. (*Include Area Code*): 817-421-1006		
Position(s) Held with the Federal Government During the Preceding 12 Months (If Not Same as Above)	Title of Position(s) and Date(s) Held					
Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination: Committee on Agriculture, Nutrition and Forestry			Do You Intend to Create a Qualified Diversified Trust? [ ] Yes [✓] No		
Certification: I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge.	Signature of Reporting Individual: [signature]			Date (*Month, Day, Year*): July 28, 2005		
Other Review (If desired by agency)	Signature of Other Reviewer			Date (*Month, Day, Year*)		
Agency Ethics Official's Opinion: On the basis of information contained in this report, I conclude that the filer is in compliance with applicable laws and regulations (subject to any comments in the box below).	Signature of Designated Agency Ethics Official/Reviewing Official: [signature]			Date (*Month, Day, Year*): August 29, 2005		
Office of Government Ethics Use Only	Signature: Marilyn G. Glynn			Date (*Month, Day, Year*): 9/12/05		

Comments of Reviewing Officials (*If additional space is required, use the reverse side of this sheet*)

Annotation to P2, L2 per agency reviewer

(*Check box if filing extension granted & indicate number of days* _____) [ ]

Pat IR
8/29/05

(*Check box if comments are continued on the reverse side*) [ ]

Fee for Late Filing
Any individual who is required to file this report and does so more than 30 days after the date the report is required to be filed, or, if an extension is granted, more than 30 days after the last day of the filing extension period shall be subject to a $200 fee.

Reporting Periods
Incumbents: The reporting period is the preceding calendar year except Part II of Schedule C and Part I of Schedule D where you must also include the filing year up to the date you file. Part II of Schedule D is not applicable.

Termination Filers: The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination. Part II of Schedule D is not applicable.

Nominees, New Entrants and Candidates for President and Vice President:

Schedule A--The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets as of any date you choose that is within 31 days of the date of filing.

Schedule B--Not applicable.

Schedule C, Part I (Liabilities)--The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.

Schedule C, Part II (Agreements or Arrangements)-- Show any agreements or arrangements as of the date of filing.

Schedule D--The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

Agency Use Only
AUG 01 2005
OGE Use Only
AUG 29 2005

SF278 (Rev. 03/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Christopherson, Charles R. Jr.

SCHEDULE A

Page Number: 2

Assets and Income — BLOCK A

For you, your spouse, and dependent children, report each asset held for investment or the production of income which had a fair market value exceeding $1,000 at the close of the reporting period, or which generated more than $200 in income during the reporting period, together with such income.

For yourself, also report the source and actual amount of earned income exceeding $200 (other than from the U.S. Government). For your spouse, report the source but not the amount of earned income of more than $1,000 (except report the actual acount of any honoraria over $200 of your spouse).

None ☐

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

	Assets and Income	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent & Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
Examples	Central Airlines Common				x												x						x										
	Doe Jones & Smith, Hometown, State			x																												Law Partnership Income $150,000	
	Kempstone Equity Fund					x								x										x									
	IRA: Heartland 500 Index Fund							x						x											x								
1	CB Solutions LLC, Grapevine, Texas (51% Colleen, 49% Charles) Business Services Firm-wholly owned				x																											CY 2004 $70,475.00	Partnership Distribution
2	CBSolutions, LLC: Start-up Loan held by Charles & Colleen			x																	x											CY 2005 $24,174.00	Partnership Distribution
3	Merrill Lynch Investment Account IRA, SEP - defined contribution plan (CB Solutions LLC) Consisting of:																																
4	Abbott Laboratories Common Stock		x																		x												
5	Archstone-Smith Trust Common Stock		x														x			x			x										
6	Alcon Inc. Common Stock	x															x			x				x									

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categories of value, as appropriate.

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SF278 (Rev. 03/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Christopherson, Charles R. Jr.

SCHEDULE A continued

(Use only if needed)

Page Number: 3

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

None ☐

#	Assets and Income	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	Merrill Lynch cont.																																
2	Bank of America Corp. Common Stock	x															x			x			x										
3	Cinergy Corp. Common Stock		x														x					x											
4	Citigroup, Inc. Common Stock	x															x			x		x											
5	ConocoPhillips Common Stock		x														x			x				x									
6	Dominion Resources, Inc. Common Stock		x														x					x											
7	General Electric Common Stock		x														x			x		x											
8	Johnson and Johnson Common Stock		x																		x												
9	Eli Lilly & Co. Common Stock	x															x			x		x											

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Prior Editions Cannot be Used

SF278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Christopherson, Charles R. Jr.

SCHEDULE A continued

(Use only if needed)

Page Number: 4

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item.

BLOCK C

None ☐

#	Assets and Income	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	Merrill Lynch cont.																																
2	Nokia Common Stock		x																		x												
3	Pfizer Common Stock		x														x					x											
4	Procter and Gamble Common Stock		x																		x												
5	3M Company Common Stock		x																		x												
6	Dreyfus Premier Enterprise Fund			x										x									x										
7	Janus Global Life Sciences Fund		x											x							x												
8	Janus Worldwide Fund		x											x							x												
9	IRA ML Global Small Cap		x											x							x												

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SF278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Christopherson, Charles R. Jr.

SCHEDULE A continued

(Use only if needed)

Page Number: 5

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

None ☐

#	Assets and Income (BLOCK A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	Merrill Lynch cont.																															
2	IRA: Nations Marsico Focused Equities Fund		x										x							x												
3	IRA: (ML) TCW Galileo Dividend Focused Fund		x										x							x												
4	SEP: Calamos Growth Fund		x										x							x												
5	SEP: Franklin Rising Dividends Class A (FRDPX)		x										x								x											
6	SEP: Gartmore Micro Capital Equity Fund		x										x								x											
7	SEP: John Hancock Classic Value Fund		x										x							x												
8	Intel Corporation Common Stock		x																	x												
9	Albertsons Common Stock	x														x			x		x											

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SF278 (Rev. 03/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Christopherson, Charles R. Jr.

SCHEDULE A continued

(Use only if needed)

Page Number: 6

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

#	Assets and Income (BLOCK A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
	None ☐																																
1	Merrill Lynch cont.																																
2	Altria Group, Inc. Common Stock	x															x			x			x										
3	Alltel Corp. Common Stock	x															x			x		x											
4	ABN-Amro Common Stock	x															x			x		x											
5	Exxon Mobil Corp. Common Stock	x															x			x			x										
6	Medco Common Stock	x																		x			x										
7	Cisco Systems, Inc. Common Stock	x																		x		x											
8	Diageo PLC Common Stock	x															x			x			x										
9	Deere & Co. Common Stock	x															x			x				x									

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SF278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Christopherson, Charles R. Jr.

SCHEDULE A continued

(Use only if needed)

Page Number: 7

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item.

BLOCK C

#	Assets and Income (Block A)	Valuation of Assets (Block B)												Income (Block C) Type			Amount									Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
	None ☐	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Dividends	Rent and Royalties	Interest	Capital Gains	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000		
1	Merrill Lynch cont.																																
2	GAP, Inc. Common Stock	x															x			x		x											
3	Home Depot, Inc. Common Stock	x															x			x		x											
4	Level 3 Communications, Inc. Common Stock	x																		x		x											
5	Barr Pharmaceuticals, Inc. Common Stock	x																		x			x										
6	Microsoft Common Stock	x															x			x		x											
7	United HealthGroup, Inc. Common Stock	x															x			x				x									
8	First Data Corp. Common Stock	x															x			x		x											
9	Total SA Common Stock	x															x			x			x										

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SF278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Christopherson, Charles R. Jr.

SCHEDULE A continued

(Use only if needed)

Page Number: 8

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

#	Assets and Income (Block A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	Merrill Lynch cont.																																
2	Baxter International, Inc. Common Stock	x															x			x		x											
3	PacifiCare Health Systems Common Stock	x																		x		x											
4	Praxair, Inc. Common Stock	x															x			x		x											
5	Safeco Corp. Common Stock	x															x			x		x											
6	SBC Communications Common Stock	x															x			x		x											
7	Sirius Satellite Common Stock	x																		x			x										
8	Unilever Common Stock	x															x			x			x										
9	Washington Mutual Common Stock	x															x			x		x											

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Prior Editions Cannot be Used

SF278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Christopherson, Charles R. Jr.

SCHEDULE A continued

(Use only if needed)

Page Number: 9

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

	Assets and Income (Block A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	Merrill Lynch cont. Xcel Energy, Inc. Common Stock	x															x			x			x											
2 S	Oppenheimer Funds 401K Consisting of:																																	
3	Oppenheimer Money Market Fund			x										x							x													
4	Oppenheimer Quest Opportunity V Fund		x											x									x											
5	American Institute of Certified Public Accountants (AICPA) Group Variable Universal Life Program*		x																		x											*all assets below reporting threshold	
6	Vanguard IRA Consisting of:																																	
7	Vanguard LifeStrategy Growth Fund		x											x							x													
8	Vanguard Wellington Fund		x											x									x											
9	Vanguard Growth and Income Fund		x											x							x													

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SF278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Christopherson, Charles R. Jr.

SCHEDULE A continued

(Use only if needed)

Page Number: 10

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

None ☐

#	Assets and Income	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	ICG Communications: Charles Schwab 401K defined contribution plan Consisting of:																																
2	Schwab 1000 Index Fund		x											x							x												
3	WF Advantage Government Securities Fund		x											x							x												
4	William Blair International Growth Fund		x											x							x												
5	Heritage Capital Appreciation Trust Fund		x											x							x												
6																																	
7																																	
8																																	
9																																	

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SF 278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Christopherson, Charles R. Jr.

SCHEDULE C

Page Number: 11

Part I: Liabilities

Report liabilities over $10,000 owed to any one creditor at any time during the reporting period by you, your spouse, or dependent children. Check the highest amount owed during the reporting period. **Exclude** a mortgage on your personal residence unless it is rented out; loans secured by automobiles, household furniture or appliances; and liabilities owed to certain relatives listed in instructions. See instructions for revolving charge accounts.

None ☐

	Creditors (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term if applicable	$10,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Examples:	First District Bank, Washington, DC	Mortgage on rental property, Delaware	1991	8%	25 yrs.			x								
	John Jones, 123 J St., Washington, DC	Promissory note	1999	10 %	on demand					x						
1	Merrill Lynch, Arlington, TX	Margin Loan Secured by Portfolio As of 7/13 balance is zero.	2005	9.8%	revolving		x									
2	AMEX Business Card, Ft. Lauderdale, FL	CB Solutions Business Credit Card	2005	14.7%	revolving	x										
3																
4																
5																

* This category applies only if the liability is solely that of the filer's spouse or dependent children. If the liability is that of the filer or a joint liability of the filer with the spouse or dependent children, mark the other higher categories, as appropriate.

Part II: Agreements or Arrangements

Report your agreements or arrangements for: continuing participation in an employee benefit plan (e.g. 401k, deferred compensation; (2) continuation payment by a former employer (including severance payments); (3) leaves of absence; and (4) future employment. See instructions regarding the reporting of negotiations for any of these arrangements or benefits

None ☐

	Status and Terms of any Agreement or Arrangement	Parties	Date
Example:	Pursuant to partnership agreement, will receive lump sum payment of capital account & partnership share calculated on service performed through 1/00.	Doe Jones & Smith, Hometown, State	7/85
1	Defined contribution plan with Merrill Lynch.	CB Solutions LLC, Grapevine, TX	06/05
2	401K with Charles Schwab.	ICG Communications, Inc., Denver, CO	06/05
3			
4			
5			
6			

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SF 278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name		Page Number
Christopherson, Charles R. Jr.	**SCHEDULE D**	12

Part I: Positions Held Outside U.S. Government

Report any positions held during the applicable reporting period, whether compensated or not. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. **Exclude** positions with religious, social, fraternal, or political entities and those solely of an honorary nature.

None ☐

	Organization (*Name and Address*)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples:	Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/92	Present
	Doe Jones & Smith, Hometown, State	Law firm	Partner	7/85	1/00
1	CB Solutions LLC 2250 Pool Road, Ste 202, Grapevine, TX	Business Services Firm	President	06/2003	Present
2	Encompass Services Corp. 3 Greenway Plaza, Ste 2002, Houston, TX	Construction and Facility Services	VP of Operations and Finances SC Bus Grp	12/2001	06/2003
3					
4					
5					
6					

Part II: Compensation In Excess Of $5,000 Paid by One Source

Report sources of more than $5,000 compensation received by you or your business affiliation for services provided directly by you during any one year of the reporting period. This includes the names of clients and customers of any corporation, firm, partnership, or other business enterprise, or any other non-profit organization when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

Do not complete this part if you are an Incumbent, Termination Filer, or Vice Presidential or Presidential Candidate

None ☐

	Source (*Name and Address*)	Brief Description of Duties
Examples:	Doe Jones & Smith, Hometown, State	Legal services
	Metro University (client of Doe Jones & Smith), Moneytown, State	Legal services in connection with university construction
1	(Client) Encompass Bankruptcy Trust	Project negotiation, accounts receivable management, and collections
2	(Client) HCR ManorCare	Collection Services
3	(Client) ICG Communications	Accounts receivable management and collection services
4	CB Solutions, LLC	Business process flow consulting, general business consulting, accounts receivable management, and collection services
5		
6		

Prior Editions Cannot Be Used.

Charles R. Christopherson
605 Boardwalk Avenue
Southlake, TX 76092
(817) 421-1006

Mr. John Surina
Designated Agency Ethics Official
U.S. Department of Agriculture
Washington, DC 20250-0122

Dear Mr. Surina:

The purpose of this letter is to explain the steps that I intend to take to avoid a conflict of interest, or the appearance of a conflict of interest, in the event that I am confirmed for the position of Chief Financial Officer for the United States Department of Agriculture.

Overall, I understand that, as required by 18 U.S.C. § 208(a), I may not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any other person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to section 208(b)(1), or qualify for a regulatory exemption, pursuant to section 208(b)(2). I further understand that the interests of the following persons are imputed to me: my spouse, my minor children, or any general partner; any organization in which I serve as officer, director, trustee, general partner, or employee; and any person or organization with which I am negotiating or have an arrangement concerning future employment.

CB Solutions, LLC

As reflected on my Form SF 278, Public Financial Disclosure Report, my spouse and I started a business named CB Solutions, LLC (the Company), headquartered in Grapevine, Texas. The Company has an additional office in Denver, Colorado. The Company originated as, and is certified as, a Women Business Enterprise. My spouse owns 51% of the Company and serves as the Chief Executive Officer. I currently serve as the President of the Company and own 49% of the outstanding shares. The Company currently has an agreement with the Vice President of the Denver location to transfer 10% of the company to him upon 6 months of employment. These shares will be purchased by the Company from my 49% ownership and transferred into his ownership, therefore, diluting my ownership to 39% of the company. The Company owes my spouse approximately $32,000 as start-up operating loans.

The Company provides business process flow consulting, general business consulting, accounts receivable management, and collection services. Over the last year, the management has focused on the area of expanding accounts receivable management and collection services. This area is highly automated and has been developed to provide an

Charles R. Christopherson
605 Boardwalk Avenue
Southlake, TX 76092
(817) 421-1006

Internet-based solution for small to medium sized companies, and an electronic interface for large companies, for the management and collection of delinquent accounts.

We have a combined defined contribution plan through the Company which is managed by Merrill Lynch. Upon confirmation to serve as Chief Financial Officer, I will resign my position as President of the Company, and my spouse will independently manage the business. My shares in the Company will be transferred to my spouse resulting in her ownership of 90% or 100% of the company (dependant on time of transfer). During my tenure with the Government, I will forego any future potential compensation, and will take no further action on behalf of this entity. Although it is unlikely that the Company will ever provide services to any Federal agencies, I am mindful of the prohibitions relating to representation under 18 U.S.C. § 203 and 205 and will refrain from providing any such representational services on behalf of the Company. I also understand that I may not use my public office for private gain, and I will not permit the use of my name in conducting the business of the Company. In view of the fact that my spouse will retain ownership in the Company, pursuant to 18 U.S.C. § 208, I will not, if confirmed, participate personally and substantially in any particular matter that will have a direct and predictable effect on the Company, unless I first obtain a written waiver or qualify for a regulatory exemption.

Clients of CB Solutions, LLC

Upon confirmation, pursuant to 5 C.F.R. § 2635.502, for one year after I terminate my position with the Company, I will not participate in any particular matters involving specific parties in which any client of the Company for whom I provided services is, or represents a party, unless I am authorized to participate. Pursuant to 5 C.F.R. 2635.502, I also will not participate in any particular matters involving specific parties in which any client for whom my spouse is providing services, or seeks to provide services is, or represents a party.

ICG Communications, Inc.

I am vested in and upon retirement will be eligible to receive a pension from a defined contribution retirement program (401k) through my former employment relationship with ICG Communications, Inc (ICG). After leaving the company, and with the changes in reciprocal compensation laws, ICG filed for bankruptcy. The bankruptcy filing eliminated all value in ICG stock used to match the value of the individual contribution, therefore, all funds in the account are based my original contributions.

on Peggy Christopherson Pd 8/30/05

Charles Schwab, which holds the 401K accounts, receives a management fees from ICG for this service. On the date of nomination, if not sooner, I will begin the process of rolling all assets over to an independent IRA thus severing the minor relationship with ICG. This process is expected to be completed within 60 days of nomination.

Charles R. Christopherson
605 Boardwalk Avenue
Southlake, TX 76092
(817) 421-1006

I believe that the steps I have agreed to take, as outlined above, will assure that no conflict of interest, or the appearance of a conflict of interest, will exist between my personal financial interests and the duties I will perform as the Chief Financial Officer for the United States Department of Agriculture.

Sincerely,

Charles R. Christopherson, Jr.

QUESTIONNAIRE FOR UNITED STATES DEPARTMENT OF AGRICULTURE NOMINEES
BIOGRAPHICAL INFORMATION (PUBLIC)

1. Full name (include any former names used).

   James McRae Andrew (Jimmy,Jim)

2. Date and place of birth.

   January 22, 1937 Montgomery, Al.

3. Marital Status (include maiden name of wife or husband's name). List spouse's occupation, employer's name and business address(es).

   Married Mary Franklin. Retired teacher Jenkins County Board of Education Millen, Ga.

4. Education: List each college and graduate or professional school you have attended, including dates of attendance, degrees received, and dates degrees were granted.

   University of Alabama
   June 1955-December 1957
   June 1960-May 1961
   Break due to military and work
   BS May 1961 Commerce and Business Administration

   Birmingham Southern College
   January 1960-June 1960
   Classes before returning to Alabama after working.

5. Employment Record: List (by year) all business or professional corporations, companies, firms, or other enterprises, partnerships, institutions and organizations, nonprofit or otherwise, including farms, with which you were connected as an officer, director, partner, proprietor, or employee since graduation from college; include a title and brief job description.

   1999-present James M. Andrew, Inc. Waynesboro, Ga.
   President/owner Consulting services in public relations,rural electrification and building construction supervision.

1978-1999 BAS, Inc. Waynesboro, Ga. President/owner. Agricultural irrigation and steel building dealer. Organized the business to serve the home county and an 80 mile radius. We designed, sold, installed, and serviced every type of agricultural irrigation equipment and farm/small commercial steel buildings.

1976-1978 Mundy, Inc. Waynesboro, Ga. Market development and customer relations. Grain elevator, fertilizer, cotton gin and warehouse.

1973-1976 Federal Pacific Electric Co. Atlanta and Millen,Ga. Regional Marketing Manager electric heat division. Responsible for business development in six southeastern states.

1968-1973 Georgia Electric Membership Corp. Millen, Ga. Director of Marketing. State association of Georgia's forty two rural electric cooperatives. Developed marketing strategies for the individual coops. Wrote manuals on marketing, business development and public relations.

1965-1968 Connecticut General Insurance Co. Atlanta, Ga. Senior Brokerage Consultant. Brokered health and life insurance for independent insurance agents using estate, business and personal financial planning. Was asked to move to Birmingham, Al. to open an office but health problems in my wife's family required us to move to her home in Jenkins County.

1961-1965 Federal Pacific Electric Co. Atlanta, Ga. Branch Manager Sale of electrical distribution equipment to electrical contractors through distributors. Involved equipment for the home as well as very large commercial and industrial applications.

Other Business Interest:

1973-1996 Ogeechee Valley Bank Millen, Ga. Organizing director. Community bank. Sold to the Queensborough Company which is the holding company for First National Bank and Trust of Louisville, Ga. Chairman of the board at the time of the sale.

1996-present Queensborough Company Louisville, Ga.(hdq) Director. Bank holding company for the First National Bank and Trust Co. Have grown to 23 branches.

1976-2004 Jefferson Energy Cooperative Wrens, Ga. Director
One of Georgia's electric cooperatives and my source of electricity. Served as President in two year rotations several times.

1981-1992 Georgia Electric Membership Corp. Atlanta, Ga. Director. State association of Georgia's 42 electric cooperatives. Served as President and Vice President.

1989-2004 National Rural Electric Cooperative Association Director. Two years each as Sec/Treas., Vice President and President. National association of rural electric cooperatives in 47 states.

1999-2000 National Rural Electric Cooperative Finance Corp. (CFC) Herndon, Va. National financing cooperative of rural electric cooperatives. Provides financing for electric and telephone cooperatives coordinating with RUS as well as total funding for those coops which no longer borrow from RUS. Director seat as President of NRECA.
Served on the loan and finance committees.

1968-present Birdsville Farm Jenkins County. Help maintain and manage the farm along with my wife. Property has been in her family for over 225 years. We moved back to help preserve the tradition. All farm land rented to others. Hunting leased.

Presently serve on Board of Directors of the Waynesboro Rotary Club.

County Chairman Jenkins County Republican Party.
District Executive Committee Georgia Republican Party.

6. Military Service: Have you had any military service? If so, give particulars, including the dates, branch of service, rank or rate, serial number and type of discharge received.

Served in the Alabama Army National Guard (including 6 mo. active duty) and the Army Reserves. Honorable discharge February 1962 with rank of Specialist 5th class. Serial number 24546827
National Guard 1954-1955, 1958-1960, 1961-1962
Active duty March 1958-September 1958
Reserves 1956-1958 while in Air Force basic ROTC in college

7. Government Service: State (chronologically) your government service or public offices you have held, including the terms of service grade levels and whether such positions were elected or appointed.

None

8. Honors and Awards: List any scholarships, fellowships, honorary degrees, and honorary society memberships that you received and believe would be of interest to the Committee.

Georgia Cooperator of the year 2004
Rotary Paul Harris Fellow

9. Other Memberships: List all organizations to which you belong, excluding religious organizations.

Waynesboro (Ga) Rotary Club, Waynesboro Country club

10. Published Writings: List the titles, publishers, and dates of books, articles, reports, or other published materials (including published speeches) you have written. Please include on this list published materials on which you are listed as the principal editor. It would be helpful to the Committee if you could provide one copy of all published material that may not be readily available. Also, to the maximum extent practicable, please supply a copy of all unpublished speeches you made during the past five years on issues involving agriculture, nutrition, forestry or commodity futures policy or related matters.

No published writings. Many speeches across the country while president of NRECA but referenced rural electric concerns-stressed stronger director and employee training, and education and cooperation among and between cooperatives were generally the subjects.

11. Health: What is the present state of your health?

Very good.

FINANCIAL DATA AND CONFLICT OF INTEREST (PUBLIC)

1. Have you severed all connections with your immediate past private sector employers, business firms, associations, and/or organizations?

   No but preparations are in motion to do so upon confirmation.

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, incompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services, firm memberships, former employers, clients, or customers.

   Only one deferred benefit. A lifetime medicare wrap-around medical insurance contract provided by Jefferson Energy Cooperative.

3. Do you, or does any partnership or closely held corporation in which you have an interest, own or operate a farm or ranch? (If yes, please give a brief description including location, size and type of operation.)

   I own 150acres of land of which only 30 is cropland. Balance is some timber, rough woods, unfarmed brush fields and three dwellings. One of the dwellings is rented. My wife owns approximately 26% undivided interest in 1500 acres. There are about 700 tillable acres. The rest is in timber, woodland,living quarters and three small pastures. The farm land of both farms is rented.

4. Have you, or any partnership or closely held corporation in which you have an interest, ever participated in Federal commodity price support programs? (If yes, provide all details including amounts of direct government payments and loans received or forfeited by crop and farm, etc. during the past five years.)

   Have not directly received any price support programs. Our tenants have registered and collected any and all such payments. Both farms participated in CRP but that expired several years ago and could not be renewed.

5. Have you, or any partnership or closely held corporation in which you have an interest, ever received a direct or guaranteed loan from or cosigned a note to the Rural Business-Cooperative Service, Rural Housing Service, the Rural Utilities Service or their predecessor agencies, the Farmers Home Administration, the Rural Development Administration, the Rural Housing and Cooperative Development Service or the Rural Electrification Administration? (If yes, give details of any such loan activity during the past 5 years.)

   Never received a loan from any of the listed agencies.

6. Have you, or any partnership or closely held corporation in which you have an interest, ever received payments for crop losses from the Federal Crop Insurance program? (If yes, give details.)

   Never had crop insurance.

7. If confirmed, do you have any plans, commitments, or agreements to pursue outside employment or engage in any business or vocation, with or without compensation, during your service with the government? (If so, explain.)

   I have no commitments. I neither expect nor will I accept any commitment for employment while in government service.

8. Do you have any plans to resume employment, affiliation, or practice with your previous employers, business firms, associations, or organizations after completing government service? (If yes, give details.)

   I have no plans to resume employment by anyone after this service.

9. Has anyone made a commitment to employ you or retain your services in any capacity after you leave government service? (If yes, please specify.)

   No

10. Identify all investments, obligations, liabilities, or other relationships which involve potential conflicts of interest in the position to which you have been nominated.

    The following stocks have been identified by the Office of Ethics as being conflicts: General Electric, Plug Power, Emerson Electric, Ameren, Chevron-Texaco, Exxon-Mobile,

Florida Power and Light, Wells-Fargo, Travelers, J.P. Morgan, Cinergy, Verizon, and Evergreen Utilities and High Interest Fund. Only Chevron and Exxon exceed the $15,000 amount as specified in 5C.F.R.SEC.2640.2025. The rest are each well under the specified amount.
In addition to the stocks, I have been doing consulting as James M. Andrew, Inc. Clients include BAS,Inc., Jefferson Energy Cooperative, and GRESCO Utility Supply. I am a director on the board of the Queensborough Company (a bank holding company).

11. Have you ever received a government guaranteed student loan? If so, has it been repaid?

    Have never received a student loan.

12. If confirmed, explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items.

    Plans are in place to dispose of the stock mentioned in 10 above. I will resign from the board of the Queensborough Company and suspend James M. Andrew, Inc. while in government service. This will in turn terminate services for BAS,Inc., Jefferson Energy, and GRESCO.

November 8, 2005

Honorable Saxby Chambliss
Chairman
Committee on Agriculture, Nutrition, and Forestry
United States Senate
Washington, D.C. 20510-6000

Dear Mr. Chairman:

On September 8, 2005, a copy of my SF-278, Executive Branch Public Financial Disclosure Report, required in connection with my nomination to serve as Administrator, Rural Utilities Service, Rural Development, for the Department of Agriculture was submitted to the U.S. Office of Government Ethics. That report contained all required financial information for calendar year 2004 and for the current calendar year through January 31, 2005.

The Ethics in Government Act of 1978, as amended, also requires that I update certain of the information reported on the SF-278, i.e., that required by section 102(a)(1)(A) of the Act, respecting income (other than my Federal salary and dividends, interest, rents, and capital gains) and honoraria, to a date which occurs not more than five days before the date of the hearing to be held by your Committee to consider my nomination. The hearing to be held on my nomination is scheduled for November 10, 2005. The purpose of this letter is to report that since I filed my Financial Disclosure Report, I earned additional director's fees from the Jefferson Energy Cooperative of $600.00. I have earned no honorarium.

Additionally, I have updated certain entries on my public financial disclosure report, which change the following amounts and types of income:

Page 2, line 15, BAS Inc. Promissory note changes to $5001 - $15,000.
Page 2, line 4, Rent on lease to Rodney Graham changes to $5001 - $15,000.
Page 3, line 6, Homestead Small Cap Fund changes to None.
Page 3, line 7, Regions Financial type of income should be dividends.
Page 3, line 1, Queensborough Company (S) dividend changes to $1001 - $2500.
Page 5, line 2, The Eaton Vance Fund dividend changes to $201 - $1,000.
Page 12, line 2, Bank One Corp. capital gains changes to $201 - $1,000.

I have corrected the value of Equity Residential on page 3, line 5, to $50,001 - $100,000.

Honorable Saxby Chambliss

I trust that this letter satisfies the additional applicable reporting requirements contained in the Ethics in Government Act.

Sincerely,

James M. Andrew
Nominee for Administrator
Rural Utilities Service
USDA Rural Development

cc: Hon. Marilyn Glynn, Acting Director, US Office of Government Ethics
John Surina, USDA Designated Agency Ethics Official

United States
Office of Government Ethics
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

September 13, 2005

The Honorable Saxby Chambliss
Chairman
Committee on Agriculture, Nutrition,
and Forestry
United States Senate
Washington, DC 20510-6000

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by James M. Andrew, who has been nominated by President Bush for the position of Administrator of the Rural Utilities Service, Department of Agriculture.

We have reviewed the report and have also obtained advice from the Department of Agriculture concerning any possible conflict in light of its functions and the nominee's proposed duties. Enclosed is a letter dated August 24, 2005, from Mr. Andrew to the Department's ethics official, outlining the steps which he will take to avoid conflicts of interest. Unless a specific date has been agreed to, the nominee must fully comply within three months of his confirmation date with the actions he agreed to take in his ethics agreement.

Based thereon, we believe that Mr. Andrew is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Marilyn L. Glynn
General Counsel

Enclosures

SF278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

Form Approved:
OMB No. 3209-0001

Executive Branch Personnel PUBLIC FINANCIAL DISCLOSURE REPORT

Date of Appointment, Candidacy, Election or Nomination (*Month, Day, Year*)	Reporting Status (*Check appropriate boxes*)	☐ Incumbent	Calendar Year Covered by Report	☒ New Entrant, Nominee, or Candidate	☐ Termination Filer / Termination Date (*If Applicable*) (*Month, Day, Year*)

Reporting Individual's Name	Last Name: Andrew	First Name and Middle Initial: James M.
Position for Which Filing	Title of Position: Administrator	Department or Agency (*If Applicable*): Rural Utilities Service
Location of Present Office (or forwarding address)	Address (*Number, Street, City, State, and ZIP Code*): 998 Birdsville Rd., Millen, Ga. 30442	Telephone No. (*Include Area Code*): (478) 982-1692
Position(s) Held with the Federal Government During the Preceding 12 Months (If Not Same as Above)	Title of Position(s) and Date(s) Held: None	
Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination: Agriculture, Nutrition, and Forestry	Do You Intend to Create a Qualified Diversified Trust? ☐ Yes ☒ No

Certification I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge.	Signature of Reporting Individual: James M. Andrew	Date (*Month, Day, Year*): 08/15/2005
Other Review (If desired by agency)	Signature of Other Reviewer:	Date (*Month, Day, Year*):
Agency Ethics Official's Opinion On the basis of information contained in this report, I conclude that the filer is in compliance with applicable laws and regulations (subject to any comments in the box below).	Signature of Designated Agency Ethics Official/Reviewing Official: R K	Date (*Month, Day, Year*): 09/08/2005
Office of Government Ethics Use Only	Signature: Marilyn G. Glynn	Date (*Month, Day, Year*): 9/13/05

Comments of Reviewing Officials (*If additional space is required, use the reverse side of this sheet*)

(*Check box if filing extension granted & indicate number of days*) ☐

(*Check box if comments are continued on the reverse side*) ☐

Fee for Late Filing

Any individual who is required to file this report and does so more than 30 days after the date the report is required to be filed, or, if an extension is granted, more than 30 days after the last day of the filing extension period shall be subject to a $200 fee.

Reporting Periods

Incumbents: The reporting period is the preceding calendar year except Part II of Schedule C and Part I of Schedule D where you must also include the filing year up to the date you file. Part II of Schedule D is not applicable.

Termination Filers: The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination. Part II of Schedule D is not applicable.

Nominees, New Entrants and Candidates for President and Vice President:

Schedule A--The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets as of any date you choose that is within 31 days of the date of filing.

Schedule B--Not applicable.

Schedule C, Part I (Liabilities)--The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.

Schedule C, Part II (Agreements or Arrangements)-- Show any agreements or arrangements as of the date of filing.

Schedule D--The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

Agency Use Only

AUG 16 2005

OGE Use Only

SEP - 8 2005

RECEIVED

Supersedes Prior Editions. Which Cannot Be Used. 278-112 Form Designed in Microsoft Excel 2000 NSN 7540-01-070-8444

SF278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Andrew, James M.

SCHEDULE A

Assets and Income — BLOCK A

For you, your spouse, and dependent children, report each asset held for investment or the production of income which had a fair market value exceeding $1,000 at the close of the reporting period, or which generated more than $200 in income during the reporting period, together with such income.

For yourself, also report the source and actual amount of earned income exceeding $200 (other than from the U.S. Government). For your spouse, report the source but not the amount of earned income of more than $1,000 (except report the actual acount of any honoraria over $200 of your spouse).

None ☐

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item.

BLOCK C — Type: Dividends; Rent and Royalties; Interest; Capital Gains. Amount: None (or less than $201); $201 - $1,000; $1,001 - $2,500; $2,501 - $5,000; $5,001 - $15,000; $15,001 - $50,000; $50,001 - $100,000; $100,001 - $1,000,000; Over $1,000,000*; $1,000,001 - $5,000,000; Over $5,000,000.

	Assets and Income	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Dividends	Rent and Royalties	Interest	Capital Gains	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
Examples	Central Airlines Common				X												X						X										
	Doe Jones & Smith, Hometown, State			X																												Law Partnership Income $110,000	
	Kempstone Equity Fund					X																		X									
	IRA: Heartland 500 Index Fund							X						X											X								
1	James M. Andrew, Inc. agribusiness consulting, Millen, GA.		X																													Salary: 2004 $6,000 2005 $3,500	
2	BAS, Inc. Privately-held corporation--agricultural construction in Waynesboro Georgia--promissory note.				X														X					X									
3	Farm: Jenkins County, GA Managed by James M. Andrew, Inc. consisting of:						X																										
4	House leased to Rodney Graham of Millen, GA (cash lease)																	X						X									
5	Fields leased to Howard Black of Millen, GA (cash lease)																	X					X										
6	Building Lot .656 A. McIntosh County, GA. (investment)				X																X												

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categories of value, as appropriate.

Prior Editions Cannot be Used.

SF278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Andrew, James M.

SCHEDULE A continued
(Use only if needed)

Page Number 3/15

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

None ☐

	Assets and Income (BLOCK A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1 S	The Queensborough Co. A private company in Louisville, GA. Holds stock of First National Bank & Trust				X												X					X											
2 S	26.67% of 1545 acres, Jenkins County GA doing business as Birdsville Farm a partnership. Farm income consists of:						X																										
3	700 acres of farmland cash leased to Howard Black of Millen GA																	X							X								
4	Hunting cash lease on land to the Birdsville Plantation Hunt Club																	X						X									
5	Equity Residential Common					X											X			X				X									
6	Homestead Funds Small Cap Fund (HSCXS)			X										X								X											
7	Regions Financial Common (RF)		X																	X		X											
8	Intentionally Blank																																
9 S	Georgia State Teachers Retirement Value not readily ascertainable																															Defined Benefit plan $2,326.14/mo	

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categories of value, as appropriate.

Prior Editions Cannot be Used.

SF278 (Rev. 03/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Andrew, James M.

SCHEDULE A continued
(Use only if needed)

Page Number: 4/15

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

None ☐

#	Assets and Income (Block A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	The Queensborough Co. A private company in Louisville, GA. Holds stock of First National Bank & Trust							X									X								X								
2 S	Spouse Smith Barney Preferred Client IRA consisting of:																																
3 S	Citibank Cash Deposits		X																X			X											
4 S	Equity Inns Inc. (ENN)		X														X					X											
5 S	Hospitality Properties Trust (HPT)		X														X					X											
6 S	Gabelli Dividend & Income Trust (GDV)		X											X								X											
7 S	Nuveen Real Estate Income Fund (JRS)		X											X								X											
8 S	Evergreen Utilities and High Income Fund (ERH)		X											X								X											
9 S	End of Spouse Smith Barney Preferred Client IRA investments																																

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categ

SF278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Andrew, James M.

SCHEDULE A continued
(Use only if needed)

Page Number: 5/15

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

#	Assets and Income (None ☐)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	Smith Barney Preferred Client Account Consisting of:																																
2	Eaton Vance Limited Duration Income Fund (XEVVX)		X											X									X										
3	Citigroup, Inc (C)		X																		X												
4	Hospitality Properties Trust (HPT)		X														X					X											
5	Gabelli Dividend and Income Trust (GDV)		X											X							X												
6	U.S. Treasury Notes SER D 2007 Dated 8/15/1997		X																		X												
7	Federal National Mortgage Assoc. Global Debentures 9/1/1999 (10 yr.)		X																		X												
8	Federal Home Loan Mortgage Corp. Debentures (10 yr.) 9/1998)		X																		X												
9	Plug Power Inc. (PLUG)		X																		X												

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SF278 v. 8/ K
3 C.F.R. Pt. 3
U.S. Off. of G. Ethics

Reporting Individual's Name	SCHEDULE A continued (Use only if needed)	Page Number
Andrew, James M.		6/15

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

	Assets and Income (BLOCK A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	Smith Barney Preferred Client Account (continued)																																
2	U.S. Treasury Notes Ser B 2008 dtd 2/1998 (10 Year)		X																		X												
3	U.S. Treasury Bonds 2006 dtd 1/1986 (20 Year)		X																			X											
4	End Smith Barney Preferred Client Account																																
5	Smith Barney Managed Account Consisting of:																																
6	BP PLC Spons ADR (BP)		X														X					X											
7	Johnson & Johnson (JNJ)		X																		X												
8	Cinergy Corp (CIN)		X														X					X											
9	Exxon Mobil Corp. (XOM)		X																		X												

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SF278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Andrew, James M.

SCHEDULE A continued

(Use only if needed)

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

#	Assets and Income (BLOCK A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
	None ☐																																
1	Smith Barney Managed Account (continued)																																
2	General Electric Co. (GE)		X																		X												
3	Keyspan Corp. (KSE)		X														X					X											
4	Microsoft Corp. (MSFT)		X														X					X											
5	Kimberly Clark Corp. (KMB)		X																		X												
6	St. Paul Travelers Companies Inc. (STA)		X														X					X											
7	Wells Fargo and Company New (WFC)		X																		X												
8	Raytheon Company New (RTN)		X																		X												
9	Pfizer, Inc. (PFE)		X																		X												

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SF278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Andrew, James M.

SCHEDULE A continued
(Use only if needed)

Page Number: 8/15

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

None ☐

#	Assets and Income (BLOCK A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	Smith Barney Managed Account (continued)																																
2	PepsiCo, Inc. (PEP)		X																		X												
3	DuPont (DD)		X																		X												
4	Gannet Company, Inc. (GCI)		X																		X												
5	JP Morgan, Chase Company (JPM)		X																		X												
6	General Mills, Inc. (GIS)		X																		X												
7	Procter & Gamble Company (PG)		X																		X												
8	Verizon Communications (VZ)		X														X					X											
9	H.J. Heinz Company (HNZ)		X																		X												

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SF278 (Rev. 03/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Andrew, James M.

SCHEDULE A continued

(Use only if needed)

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

None ☐

#	Assets and Income (BLOCK A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	Smith Barney Managed Account (cont)																																
2	3M Company (MMM)		X																		X												
3	Waste Management, Inc. (WMI)		X																		X												
4	PPG Industries, INC. (PPG)		X																		X												
5	FPL Group, INC. (FPL)		X																		X												
6	Emerson Electric Company (EMR)		X																		X												
7	Rio Tinto PLC GBP (RTP)		X																		X												
8	Alcoa, Inc. (AA)		X																		X												
9	Masco Corp. (MAS)		X																		X												

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SF278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Andrew, James M.

SCHEDULE A continued

(Use only if needed)

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

None ☐

#	Assets and Income (BLOCK A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	Smith Barney Managed Account (continued)																																
2	United Technologies Corp. (UTX)		X																		X												
3	Automatic Data Processing, Inc. (ADP)		X																		X												
4	C.R. Bard, Inc. New Jersey (BCR)		X																		X												
5	Ameren Corp. (AEE)		X																		X												
6	Wyeth (WYE)		X																		X												
7	End Smith Barney Managed Account																																
8	Intentionally Blank																																
9	S ChevronTexaco Corporation (CVX)				X												X							X									

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Prior Editions Cannot be Used.

Reporting Individual's Name: Andrew, James M.

SCHEDULE A continued

(Use only if needed)

Page Number: 11/15

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

None ☐

#	Assets and Income (BLOCK A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	Smith Barney IRA Consisting of:																																
2	ExxonMobil Corp. (XOM)			X													X					X											
3	Nuveen Real Estate Income Fund (JRS)		X											X								X											
4	End Smith Barney IRA																																
5	Jefferson Energy Cooperative (Paid through James M. Andrew, Inc.)																															Consulting 2004 $7,402 2005 $3,600	
6	Jefferson Energy Cooperative Medicare wrap-around Plan (value unknown)																															Defined Benefit $298/month	
7	GRESCO Utility Supply, Inc. (Paid through James M. Andrew, Inc.)																															Consulting 2004 $3,950 2005 $1,050	
8	Queensborough Company (Paid through James M. Andrew, Inc.)																															Director's Fees 2004 $2,900 2005 $2,600	
9	US Treasury Bonds Ser 2025 Dated 2/15/1995	X																	X	X		I	C										

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Reporting Individual's Name: Andrew, James M.

SCHEDULE A continued

(Use only if needed)

Page Number: 12/15

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

None ☐

#	Assets and Income	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	US Treasury Bonds Dated 8/15/1992	X																	X	X		I C											
2	Bank One Corp.	X																		X			X										
3	Burlington Northern, Santa Fe	X																		X		X											
4	Public Service Enterprise Group	X																		X		X											
5	National Rural Electric Cooperative Association (Director's Fees)																															Gross Fees: 2004 $3,698.50 2005 $0.00	
6																																	
7																																	
8																																	
9																																	

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SF 278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

Do not Complete Schedule B if you are a new entrant, nominee, Vice Presidential or Presidential Candidate

Reporting Individual's Name

SCHEDULE B

Part I: Transactions

None ☐

Report any purchase, sale, or exchange by you, your spouse, or dependent children during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction solely between you, your spouse, or dependent child. Check the "Certificate of divestiture" block to indicate sales made pursuant to a certificate of divestiture from OGE.

	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Certificate of divestiture
	Example: Central Airlines Common	x			2/1/99			x									
1																	
2																	
3																	
4																	
5																	

* This category applies only if the underlying asset is solely that of the filer's spouse or dependent children. If the underlying asset is either held by the filer or jointly held by the filer with the spouse or dependent children, use the other higher categories of value, as appropriate.

Part II: Gifts, Reimbursements, and Travel Expenses

For you, your spouse and dependent children, report the source, a brief description, and the value of: (1) gifts (such as tangible items, transportation, lodging, food, or entertainment) received from one source totaling more than $260; and (2) travel-related cash reimbursements received from one source totaling more than $260. For conflicts analysis, it is helpful to indicate a basis for receipt, such as personal friend, agency approval under 5 U.S.C. § 4111 or other statutory authority, etc. For travel-related gifts and reimbursements, include travel itinerary, dates, and the nature of expenses provided. **Exclude** anything given to you by the U.S. Government; given to your agency in connection with official travel; received from relatives; received by your spouse or dependent child totally independent of their relationship to you; or provided as personal hospitality at the donor's residence. Also, for purposes of aggregating gifts to determine the total value from one source, exclude items worth $114 or less. See instructions for other exclusions.

None ☐

	Source (Name and Address)	Brief Description	Value
	Examples: Nat'l Assn. of Rock Collectors, NY, NY	Airline ticket, hotel room & meals incident to national conference 6/15/99 (personal activity unrelated to duty)	$500
	Frank Jones, San Francisco, CA	Leather briefcase (personal friend)	$300
1	James M. Andrew, Inc.	Salary	
2			
3			
4			
5			

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SF 278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Andrew, James M.

SCHEDULE C

Part I: Liabilities

Report liabilities over $10,000 owed to any one creditor at any time during the reporting period by you, your spouse, or dependent children. Check the highest amount owed during the reporting period. **Exclude** a mortgage on your personal residence unless it is rented out; loans secured by automobiles, household furniture or appliances; and liabilities owed to certain relatives listed in instructions. See instructions for revolving charge accounts.

None ☐

	Creditors (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term if applicable	$10,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Examples:	First District Bank, Washington, DC	Mortgage on rental property, Delaware	1991	8%	25 yrs.			x								
	John Jones, 123 J St., Washington, DC	Promissory note	1999	10 %	on demand					x						
1	AgSouth Farm Credit, ACA Statesboro, Ga.	Mortgage on farm/timberland, Jenkins Co., Ga.	2003	6.95	8 yrs.		x									
2	First National Bank and Trust, Louisville GA	Promissory Note	2003	6.25	1 yr.		x									
3 S	First National Bank and Trust, Louisville GA	Mortgage on Birdswell Farm, Jenkins Co. Georgia	2001	6.5	10 yrs.		x									
4																
5																

* This category applies only if the liability is solely that of the filer's spouse or dependent children. If the liability is that of the filer or a joint liability of the filer with the spouse or dependent children, mark the other higher categories, as appropriate.

Part II: Agreements or Arrangements

Report your agreements or arrangements for: continuing participation in an employee benefit plan (e.g. 401k, deferred compensation); (2) continuation payment by a former employer (including severance payments); (3) leaves of absence; and (4) future employment. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.

None ☐

	Status and Terms of any Agreement or Arrangement	Parties	Date
Example:	Pursuant to partnership agreement, will receive lump sum payment of capital account & partnership share calculated on service performed through 1/00.	Doe Jones & Smith, Hometown, State	7/85
1	Pursuant to agreement with Cooperative, as a former director, entitled to elect Medicare wrap-around health insurance (currently $298/month). Filer has elected the Medicare wrap-around insurance.	Jefferson Energy Cooperative, Wrens GA	3/01
2			
3			
4			
5			
6			

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SF 278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name		Page Number
Andrew, James M.	**SCHEDULE D**	15/15

Part I: Positions Held Outside U.S. Government

Report any positions held during the applicable reporting period, whether compensated or not. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. **Exclude** positions with religious, social, fraternal, or political entities and those solely of an honorary nature.

None ☐

	Organization (*Name and Address*)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples:	Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/92	Present
	Doe Jones & Smith, Hometown, State	Law firm	Partner	7/85	1/00
1	Queensborough Company, Louisville, Ga.	Bank holding company	director	01/1996	present
2	Jefferson Energy Cooperative, Wrens, Ga.	Rural electric co-op	consultant	03/2001	present
3	GRESCO Utility Supply, Inc.	Rural electric material supply	consultant	06/2004	06/2005
4	BAS, Inc., Waynesboro, GA	Agri Business	consultant	01/1999	present
5	James M. Andrew, Inc.	Agricultural Consulting	President/owner	01/1999	present
6	National Rural Electric Cooperative Association	Rural Electric Co-op Asso.	director	02-03/1988	02/2004

Part II: Compensation In Excess Of $5,000 Paid by One Source

Report sources of more than $5,000 compensation received by you or your business affiliation for services provided directly by you during any one year of the reporting period. This includes the names of clients and customers of any corporation, firm, partnership, or other business enterprise, or any other non-profit organization when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

Do not complete this part if you are an Incumbent, Termination Filer, or Vice Presidential or Presidential Candidate

None ☐

	Source (*Name and Address*)	Brief Description of Duties
Examples:	Doe Jones & Smith, Hometown, State	Legal services
	Metro University (client of Doe Jones & Smith), Moneytown, State	Legal services in connection with university construction
1	James M. Andrew, Inc.	Salary
2		
3		
4		
5		
6		

Prior Editions Cannot Be Used.

August 24, 2005

John C. Surina
Designated Agency Ethics Official
United States Department of Agriculture
Washington, DC 20250-0122

Dear Mr. Surina:

The purpose of this letter is to describe the steps that I intend to take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Administrator, Rural Utilities Service (RUS), U.S. Department of Agriculture.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any other person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to section 208(b)(1), or qualify for a regulatory exemption, pursuant to section 208(b)(2). I understand that the interests of the following persons are imputed to me: my spouse, minor children, or any general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with whom I am negotiating or have an arrangement concerning prospective employment.

My wife and I own a small company, James M. Andrew, Inc., that provides consultation services and manages a small farm in Jenkins County, Georgia. I am the President, and primary employee of this company. Upon confirmation, I will resign as President and the company will be inactive as long as I am employed by USDA. My wife will manage the small farm.

The small farm in Jenkins County, mentioned in the previous paragraph, derives its income from two cash leases: a house leased to Rodney Graham of Millen, Georgia and fields leased to Howard Black also of Millen, Georgia. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on their ability or willingness to pay on these leases. In addition, I will not participate in any particular matter involving specific parties in which either of these tenants is a party or represents a party, unless I am authorized to participate pursuant to § 2635.502(d).

My wife is a part owner of a family property, Birdsville Farm of Jenkins County, Georgia. Its income consists of two cash leases: one to Howard Black and the other to Don Crawford of Waynesboro, Georgia, who represents the Birdsville Plantation Hunt Club. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on their ability or willingness to pay on these leases. In addition, I will not participate in any particular matter involving specific parties in which either of these tenants is a party or represents a party, unless I am authorized to participate pursuant to 2635.502(d).

I am a former board member and current consultant and member of the Jefferson Energy Cooperative, Wrens, Georgia (Jefferson). RUS provides direct and guaranteed financial

assistance to rural electric and telephone utility cooperatives, including Jefferson. Upon confirmation, I will resign as consultant to Jefferson; however, I will remain a member of the cooperative because, along with several thousand other members from 11 Georgia Counties, I receive electrical power from Jefferson at my residence in Georgia. I will also continue to receive their Medicare supplement, which is offered to all board members who retire. Pursuant to 5 C.F.R. § 2635.502, for a period of one year after I resign as consultant at Jefferson, I will not participate personally and substantially in any particular matter involving specific parties in which Jefferson is a party or represents a party, unless I am authorized to participate pursuant to § 2635.502(d). Additionally, pursuant to 18 U.S.C. § 208, I will not participate in any particular matter that would have a direct and predictable effect on the ability or willingness of Jefferson to provide their Medicare supplement, unless I first obtain a written waiver or qualify for a regulatory exemption.

I have resigned as a consultant for GRESCO Utility Supply, Inc. and, if confirmed, will resign as a consultant for BAS, Inc. (unpaid). Pursuant to 5 C.F.R. § 2635.502, for a period of one year after terminating my service in these positions, I will not participate in any particular matter involving specific parties in which GRESCO Utility Supply, Inc. or BAS, Inc. is a party or represents a party, unless I am authorized to participate pursuant to § 2635.502(d).

I am a stockholder and director of the Queensborough Company of Louisville Georgia, which is the private holding company of the First National Bank and Trust. Neither of these entities participates in any Rural Utilities Services programs. Upon confirmation, I will resign my position as director of the Queensborough Company, and will disqualify myself from participating personally and substantially in any particular matter that will have a direct and predictable effect on the financial interests of either of these companies.

I have outstanding loans with AgSouth Farm Credit and First National Bank and Trust. Neither of these entities participates in RUS programs. Nonetheless, if confirmed, I will disqualify myself from participating in any particular matter in which any of these lenders is, or represents, a party until such time as my debt to such lender has been extinguished, unless I receive an authorization pursuant to § 2635.502(d).

In order to avoid potential conflicts of interest under section 208, I agree to divest my holdings in ExxonMobil, and my spouse agrees to divest her holdings in Chevron. Both divestitures will occur within 90 days of my confirmation. Until both divestitures have been completed, I will not participate personally and substantially in any particular matter that will have a direct and predictable effect on the financial interests of these entities, unless I first obtain a written waiver or qualify for a regulatory exemption.

Finally, I agree to notify you should I acquire any financial interest in any electric, or telephone utility companies, or companies which provide Internet service.

I believe that the steps I have agreed to take, as outlined above, will assure that no conflict of interest or appearance thereof will exist between my personal financial interests on the one hand, and the duties I will perform as Administrator of the Rural Utilities Service on the other.

Sincerely,

James M. Andrew

James M. Andrew

QUESTIONS AND ANSWERS

NOVEMBER 10, 2005

Questions for James Andrew,
Nominee for the position of Rural Utilities Service Administrator
Submitted by Senator Harkin

1. I am aware of speculation that the Department is developing plans to restructure the delivery of Rural Development and Rural Utilities Service (RUS) programs including possible reorganization of RUS and other rural development agencies. Will you commit to informing this Committee of any significant proposed modification or reorganization of the RUS structure at a very early stage so the views of this Committee may be fully considered?

Response: Senator Harkin, I don't know about any plans to restructure or reorganize Rural Development or RUS programs. If the Administration decides to develop a significant proposal to modify or reorganize the RUS structure, I will inform the Committee about the proposed changes as early as possible. Of course, if I am confirmed, I will always welcome any ideas or suggestions from you that could help RUS do a better job of delivering its programs.

2. The Senate Committee on Appropriations subcommittee concluded that we need to examine alternative methods for wastewater treatment for very small communities and included the following in its agriculture appropriations report for fiscal year 2006: "Many technologies exist that lower both construction and operating costs, allowing the RUS to further benefit communities which in many cases have no central waste treatment. The RUS should consider supporting State and regional efforts to promote such alternative efforts as well as individual projects."

Some of these alternative technologies promise both environmental benefits and lower costs, so I believe we should seriously pursue them. I am pleased with what I have heard about the views of the RUS national staff regarding these alternative technologies. Will you explore the use of innovative wastewater treatment technologies and work closely with states that are involved in developing such technologies?

Response: Senator Harkin, I agree that wastewater treatment is an important issue for rural communities, especially for very small communities. If confirmed, my staff and I will explore possible uses of innovative technologies, and we will work closely with states that are already involved in this type of work.

Questions for Charles Christopherson, Jr.
Nominee for the position of Chief Financial Officer
Submitted by Senator Harkin

1. Please list specifically the aspects of your background and experience that prepared you for the position of Chief Financial Officer at the Department of Agriculture?

I feel strongly that my education and Certified Public Accountant license set a foundation and provided me with the tools to succeed in financial management. Building on that education, my career has provided opportunities to prepare me for this important position.

I have worked in a broad array of business types. I have experience in both corporate operations and finance, and I have served as a Chief Financial Officer. My operational experience provides an understanding of practices that many Chief Financial Officers do not have and helps in implementing procedures that result in stronger controls without hindering operations.

My practical experience and consulting in the structuring of business processes, information reporting, budgeting, and management systems provides knowledge that is applicable even to an entity of the size and complexity of the U.S. Department of Agriculture. Working with distressed companies has provided me with the experience to enter a complex environment, quickly determine the structure of the operation, and identify processes or measures that result in real, positive differences.

My experience with the Sarbanes-Oxley Act of 2002 in the business sector will be helpful as the Department of Agriculture implements similar assurance statement requirements. Also, having created one, I have first-hand experience with a shared-services environment, such as the National Finance Center. Finally, the mentoring practices obtained early in my career, and demonstrated in successes in consulting and team leading, have prepared me to manage the strong, experienced financial team at USDA.

2. The Department had tremendous problems making Livestock Assistance Program payments. What steps can you take to assure that the Farm Service Agency and all other USDA agencies will adopt procedures to assure that all program payments are distributed without unnecessary delay?

Senator, I understand that delays in payments can create hardships for producers. While I am unaware of what problems caused the delays in Livestock Assistance Payments, I am committed to providing clear direction on financial management procedures. Transparency, clear guidelines, and established goals are integral parts of sound financial management. If confirmed by the Senate, I will review the existing procedures and seek improvements that recognize the impact that delays in payments can have in our clients' operations.

3. Will you commit to work closely with the USDA Office of Inspector General and the Government Accountability Office to strengthen financial management and minimize waste, fraud and abuse throughout the Department of Agriculture and to communicate your efforts in this regard to this Committee?

I will.

Senator Ken Salazar
Regarding the Nomination of Charles Christopherson and James Andrew to be Chief Financial Officer and Administrator of the Rural Utilities Service, Respectively
Statement
November 9, 2005

Questions for Mr. Andrew:

1. It is my understanding that the Rural Utilities Service (RUS) has started to lend money for wind plants built by cooperative utilities. Has RUS included any transmission investments in the lending it has done? If not, would RUS be willing to lend for transmission should a cooperative generation and transmission borrower approach you with a loan request for a transmission project to serve wind energy?

   Response: Senator, it is my understanding that RUS has made loans for wind power plants, but I don't know if transmission was included in those loan packages. Transmission is an important issue to me. With all the generation we will need in the next few years, transmission will be a key ingredient for success. If confirmed, I will look into the details of the wind power loans so I can provide better answers for you on this issue.

2. Would RUS consider establishing some form of a RUS loan guaranty that protects the investments of rural electric cooperatives who are investing in wind generated electric power - specifically, to ensure that rural electric cooperatives are protected against negative changes in their "margins," which would affect their existing loan obligation?

   Response: Senator, I am not aware of a program that would offer guaranteed safeguards to protect a co-op from a downturn in margins that might affect the balance sheet. Based on your question, you obviously have an interest in this concept. If I am confirmed, I would welcome the opportunity to discuss the concept with you.

3. As you know there are many opportunities out west to promote and expand wind generated energy. However, rural Colorado, and much of the rural west, is in need of transmission lines to carry that wind generated power to consumers. We are also in need of broadband internet service. What is RUS working on that will increase transmission capabilities for wind generated power? Is their a possibility of linking those transmission lines with broadband service? Would you, as Administrator, be willing to create a working group to look at this sort of cooperation?

   Response: As I said in response to your earlier question, transmission is an important issue with me, and it should be important for all of us. Whether the power is generated from wind, water or coal, transmission is always a factor. I feel just as strongly about broadband. I am not sure how transmission and broadband can be tied together, but I would be interested in hearing any ideas that you have. If I am confirmed, we should add this to the list of ideas you and I need to discuss, and I look forward to the opportunity to do so.

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